

**SUMMARY APPRAISAL
AND
VALUATION ANALYSIS**

PROPERTY

Former Munroe School
1403 Massachusetts Avenue
Lexington, Massachusetts 02420

DATE OF VALUATION

October 13, 2009

PREPARED FOR

Carl F. Valente, Town Manager
Town of Lexington
1625 Massachusetts Avenue
Lexington, MA 02420

PREPARED BY

Avery Associates
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Post Office Box 834
Acton, Massachusetts 01720
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October 16, 2009

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Carl F. Valente, Town Manager
Town of Lexington
1625 Massachusetts Avenue
Lexington, MA 02420

RE: Former Munroe School
1403 Massachusetts Avenue
Lexington, Massachusetts

Dear Mr. Valente:

In accordance with our agreement, attached please find our appraisal report detailing the market value of the fee simple interest in the subject property. This appraisal contains the data, analysis and conclusions on which the estimate is based.

The subject property consists of 68,833 square feet of RS zoned residential land improved by a 1905 vintage, 2 story, brick school building. The Munroe School served the town for many years until mothballed; it was returned to service as an arts center starting in the middle 1980's.

As agreed we have prepared two estimates of value. First, an estimate of the 'as is' value of the property will be made based on it's highest and best legal and permitted use under existing zoning and applicable land use regulation. This is the unrestricted market value.

Second, an estimate of the value of the property as if restricted will be made. Based on our discussion *the proposed restriction will permanently limit use of the property to education and artistic uses by not for profit entities only.*

The appraisal developed in support of this estimate of value is reported in the summary format. This report has been prepared for your exclusive use. It may not be distributed to or relied upon by other persons or entities without our permission.

Based on this analysis, it is our opinion that the estimated "as is" market value, subject to the noted assumptions and limiting conditions of the fee simple interest in the subject property, as of October 13, 2009, is:

ONE MILLION FIVE HUNDRED THOUSAND (\$1,500,000) DOLLARS

Page 2
Carl F. Valente, Town Manager
October 16, 2009

It is further our opinion that the market value of the fee simple interest in the subject property, as if restricted permanently to education and artistic uses by not for profit entities, subject to the noted assumptions and limiting conditions as of October 13, 2009, is:

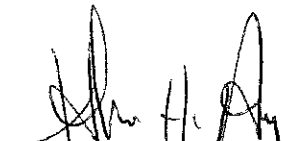
SEVEN HUNDRED SIXTY THOUSAND (\$760,000) DOLLARS

This letter must remain attached to the report, which contains 42 pages plus related exhibits, in order for the value opinion set forth to be considered valid.

Respectfully submitted,



Richard W. Bernklow, SRA
Massachusetts Certified General
Real Estate Appraiser #3111



Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

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Addenda

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

ADDRESS: 1403 Massachusetts Avenue
Lexington, MA 02420

OWNER OF RECORD: Town of Lexington

DATE OF VALUE ESTIMATE: October 13, 2009

INTEREST APPRAISED: Fee Simple

LAND AREA: 68,833 square feet/1.58 Acres

IMPROVEMENTS: Two story and full basement school building, built circa 1905. The gross building area including the basement is 21,672 sf.

ZONING: RS/Residential

HIGHEST AND BEST USE: **As is:** As presently improved
As Restricted: The highest and best use is education and artistic uses by not for profit entities only

ESTIMATED VALUES:

Market Value As Is: \$1,500,000

Value if Restricted: \$760,000

APPRAISED BY: Richard W. Bernklow, SRA
Jonathan H. Avery, MAI, CRE
Avery Associates
Post Office Box 834
282 Central Street
Acton, MA 01720

SUBJECT PROPERTY PHOTOGRAPHS

1403 Massachusetts Avenue
Lexington, Massachusetts
Taken By: R. Bernklow (9/29/09)



View of Massachusetts Avenue Frontage Facing East



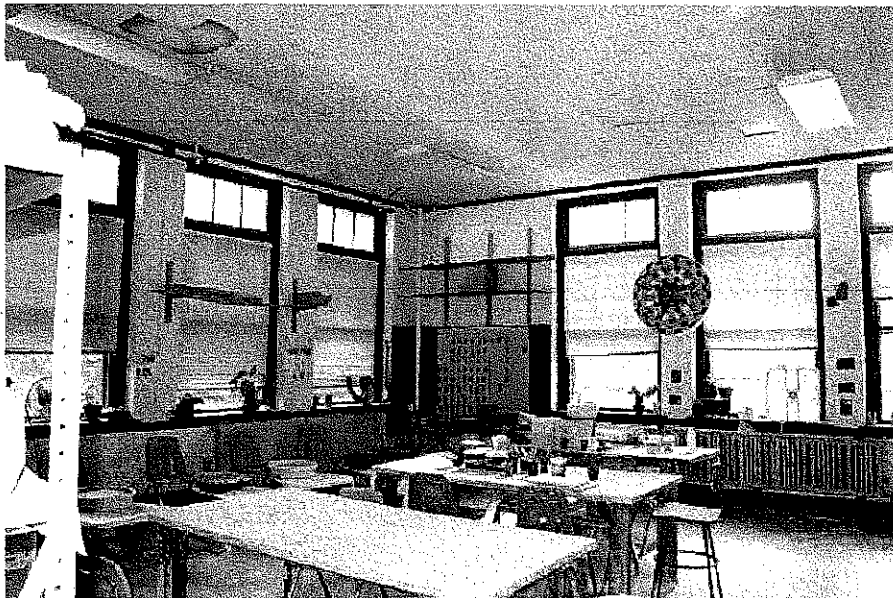
Front View of Munroe School Facing North

SUBJECT PROPERTY PHOTOGRAPHS

1403 Massachusetts Avenue
Lexington, Massachusetts
Taken By: R. Bernklow (9/29/09)



View of Interior Hallway



View of Larger Classroom

SUBJECT PROPERTY PHOTOGRAPHS

1403 Massachusetts Avenue
Lexington, Massachusetts
Taken By: R. Bernklow (9/29/09)



View of Rear of Building facing Southeast



View of Parking Area and Lawn

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to estimate the market value of the subject property under two scenarios: First, an estimate of the 'as is' value of the property is made based on it's highest and best legal and permitted use under existing zoning and applicable land use regulation. This is the unrestricted market value. Second, an estimate of the value of the property, as if restricted will be made. Based on our discussion *the proposed restriction will permanently limit use of the property to education and artistic uses by not for profit entities only.* Both values are as of October 13, 2009. In estimating these values, it has been necessary to make a careful physical inspection, examination, and analysis of the property. The results are reported in this study. Please see the definitions section of the Addenda for definitions of Fee Simple and Market Value.

DATE OF VALUATION: The date of valuation of this appraisal is October 13, 2009. All data, analysis and conclusions are based on facts in existence as of the date of valuation.

DATE OF REPORT: The date of this report is October 16, 2009.

INTENDED USE/USERS OF REPORT: This appraisal is intended to assist the client, the Town of Lexington, in determining the market value of the subject property for property disposition purposes. The intended user of the report is the Town of Lexington and those authorized by them.

THE SCOPE OF THE APPRAISAL: On September 29, 2009, Richard W. Bernklow, SRA and Jonathan H. Avery, MAI, CRE inspected the subject property accompanied by Christian Herold, Director, Munroe Center for the Arts. We also reviewed site plans and other pertinent documents to properly understand its legal characteristics. Christian Herold, provided the appraisers with the following information:

- Tenant list
- Copy of 2007 & 2008 building expenses.
- Copy of the license agreement between the Town of Lexington and The Munroe Center for the Arts.

Carl Valente, Lexington Town Manager, provided the following:

- Copy of the Request for Proposals for the Munroe School from the Town of Lexington.
- Copy of the Capital Needs Assessment conducted by On-Site Insight, prepared for the Town of Lexington and dated October 17, 2007.

We reviewed municipal tax and zoning material, then gathered pertinent data prior to applying the most applicable of the three traditional approaches to value and making our estimate of highest and best use. The approaches employ many sources - municipal and county records, sales recording services, cost services and spoke with professionals active in the real estate field when doing our research.

Available local information resources were used such as Massachusetts Municipal Profiles, Community Profiles on the Internet, Massachusetts Department of Employment and Training, Town On-Line, Lexington Assessor's Office, Lexington Planning Board, David George, Zoning Officer, Lexington Building Department, Lexington Facilities Office, local real estate brokers and local web sites.

Upon the verification of the data, recognized valuation techniques were then considered and developed, if applicable, in deriving value indications from cost, sales and income perspectives. Value indicators were reviewed and concurred with by Mr. Avery as they were then reconciled into the value estimate(s) found in this report.

CONSIDERATION OF HAZARDOUS SUBSTANCES IN THE APPRAISAL PROCESS

Although no specific geotechnical engineering data has been provided, it is our assumption that the property is free and clear of any hazardous wastes or contaminating substances, as specified in applicable municipal, state and federal regulations or laws. In the event that this is not the case, the value as estimated herein may vary to the extent of contamination and the cost of cleanup.

Due to the age of the building we assume that there is potential for lead paint. In addition, there appears to be asbestos around the older steam boilers and possibly on piping used for the heating system. These examples are the most likely but not the only possible hazards in a building this age.

The appraiser, however, is not qualified to test for such substances. Since the presence of such hazardous substances may significantly affect the value of the property, the value as estimated herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto which would cause a loss in value. If such substances do exist then the value as estimated herein will vary dependent upon the extent of contamination and the costs of remediation.

The subject property is currently included as RTN #3-0021823 & RTN 3-0026501 on the **List of Confirmed Disposal Sites and Locations To Be Investigated** (Bureau of Waste Site Cleanup Website, surveyed September 2009). The first RTN is for an RAO (Response Action Outcome) for an oil spill in 2002. An RAO Statement asserts that response actions were sufficient to achieve a level of no significant risk or at least ensure that all substantial hazards were eliminated. The second RTN is classified A2, where a permanent solution has been achieved, however, contamination has not been reduced to background.

It is an assumption of this appraisal that the use of the property is not adversely impacted by either of the recorded Response Action Outcomes and that the property is useable by children for the prescribed uses. If further remediation is required it could have an impact on value.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property is the Munroe School located at 1403 Massachusetts Avenue in Lexington, Massachusetts. The town assessor identifies the subject on Map 39 as Lot 62.

The Lexington Assessors do not have a legal description reference for the property. An unnumbered plan dated May 1904 identifies the subject property as two lots along Massachusetts Avenue with a 30,000 sf lot at the south end of the property and a second lot of 38,833 sf at the north end of the property. We assume that the Town of Lexington will be able to establish clear title and ownership of the property prior to sale.

The subject is affected by the License Agreement between the Town of Lexington and the Munroe Center for the Arts dated October 1, 2008. This agreement allows the Munroe Center for the Arts to use the facility for 16 months until February 1, 2010. The license fee for this is \$24,000 annually paid at the rate of \$2,000 per month. Under this agreement the Arts Center will operate and maintain the building.

We have considered this encumbrance on the property and because of the short remaining term of occupancy under this license, we conclude an estimate of the fee simple interest rather than the leased fee interest (based on existing license agreement and rental rate).

Copies of the plot plan and GIS plan are attached in the report Addenda.

AREA SUMMARY

The subject property is located in the Middlesex County community of Lexington. Surrounding towns are Lincoln on the southwest; Bedford on the northwest; Burlington the northeast; Woburn, Winchester and Arlington on the east; and Belmont and Waltham on the south. Its population per the 2000 US Census is 30,355. This is up 4.77% from the 1990 population of 28,974. The city of Boston is 11 miles to the southeast.

Median household income per 2000 census was \$96,825 and the 2008 median price of a single-family house was \$700,000. Despite the poor residential market in Eastern Massachusetts since 2005, Lexington's median house price has remained around \$700,000 since 2005, while median prices at many other towns have fallen.

Lexington is a thriving residential suburb, rich in civic history. The Lexington Green is the site of the start of the American Revolution. On Patriots' Day each April town residents rise at dawn to see a re-enactment of the battle. More than 100,000 tourists visit the town each year to see the "Green" and historic buildings such as the *Hancock Clark House*, the *Buckman Tavern* and the *Munroe Tavern*. *Minuteman National Park*, which extends to the *Old North Bridge* in Concord starts in Lexington. *The Museum of Our National Heritage* is located on Marrett Road.

Despite its rich history, Lexington is far from being just a tourist attraction. It is a contemporary suburb with excellent public schools, municipal services and shopping. There are large office parks along Route 2, 128 and the Bedford town line.

Lexington has become a home to the affluent that covet the excellent public schools, the rich history and a location just 11 miles from Boston. The town ranks 15th in the Commonwealth in terms of median household income. The medium single family home price ranks in the top 10 in Massachusetts.

Economy:

The unemployment rate in Lexington for August 2009 was 6.5%, well below the state average at 9.1% and the national rate of 9.7%. Nationally, the country lost more than 263,000 jobs in September and 216,000 jobs in August.

Massachusetts reported the following job losses since September 2008:

- September 3,100 jobs
- October 7,000 jobs
- November 22,300 jobs
- December 16,800 jobs
- January 4,900 jobs
- February 11,300 jobs
- March 20,300 jobs
- April 12,100 jobs
- **May +5,600 new jobs!**
- June 2,600 jobs
- July 800 jobs
- August 700 jobs

In May 2009, Massachusetts reported creation of 5,600 jobs, the first job creation figures reported in the last 8 months! This was short lived as the June & July figures again showed job losses. This is somewhat positive news but certainly it must continue for a few months before the recession is over. The Massachusetts economy had been more resistant than the national economy; until it too succumbed to the increasing job losses nationwide. The May 2009 job news is the first positive number seen since September 2008, but it is still too early to celebrate as job losses continue.

Consumer confidence levels have been rising and falling in response to economic news, fluctuating gas prices, poor local housing news and international war news. Nationally and statewide, the plunge of housing prices and depth of the foreclosure problem is a significant economic factor.

The economic bright lights had long been residential real estate and new house construction (fueled by low interest rates), although since 2005, the residential market has slowed and declined in all parts of the country. However, in September 2009 the Standard & Poor/Case Schiller index showed Greater Boston prices rose over the last three months for the first time in 3 years. Greater Boston was one of 7 markets where this occurred.

The Massachusetts Association of Realtors also stated that the median price for a home in Massachusetts topped \$315,000, last month, the first time that has occurred since August 2008. The Warren Group reported the same news with slightly lower median price. These signs have been taken in the hope that residential real estate is stabilizing, but it may be too early to proclaim the end of the bear market. A major factor affecting prices is foreclosures, which still remain high in 2009. These properties compete directly with available housing and tend to skew statistics.

The UMASS Donahue Institute June 2009 MassBenchmarks stated:

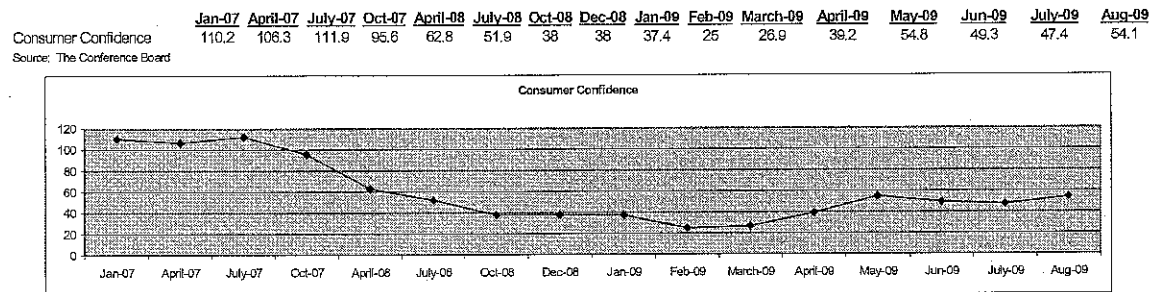
Economic activity in Massachusetts is estimated to have declined at a 1.6 percent annualized rate in the second quarter of 2009, according to the MassBenchmarks Current Economic Index. The U.S. Bureau of Economic Analysis reported that the national economy declined at an estimated annual rate of 1.0 percent during the same period. In the first quarter of this year, the state economy declined at a 4.0 percent rate, as compared to a 5.5 percent rate of decline for the U.S.

The state economy appears to be at or near the bottom of this business cycle, with the MassBenchmarks Leading Economic Index predicting that the economy will begin its expansion this summer. If, as predicted, the Commonwealth's monthly annualized rate of growth increases to an annual rate of 0.9 percent between July and December, the state's real gross domestic product will grow at an annualized rate of 0.4 percent in the third quarter and 0.9 percent in the fourth quarter of this year.

The Massachusetts labor market is still suffering, and job losses are expected to continue throughout the second half of the year, due to the growth in output being too small to overcome the effect of productivity growth (needing fewer workers to produce the same output because of increased output per worker)" noted Alan Clayton-Matthews, MassBenchmarks co-editor and UMass Boston professor. "However, the pace of job loss should decline significantly, consistent with recent trends in monthly initial unemployment claims which have declined sharply on a seasonally-adjusted basis from a peak of over 60,000 in March to less than 45,000 in June," Clayton-Matthews added.

While current economic indicators are sobering, there are some reasons for cautious optimism. Employment in education and health services is still growing, albeit very slowly, and over the past couple of weeks the Bloomberg stock price index for Massachusetts has rallied. Finally, the MassBenchmarks Leading Economic Index is suggesting that the pace of decline may be about to slow, which would be consistent with the view that the bottom could be reached before the year is out.

Consumer confidence has been falling in New England and across the country. Consumer spending is also soft, with bankruptcy the option for many retailers. Consumer confidence data is presented in the following chart:



The data presented portrays the ups and downs of the economy since January 2007 and demonstrates a steady decline from July 2007 to February 2009; the August figure is the highest since May 2009, and may be pointing toward recovery.

The declining consumer confidence matches the fact that the economy shrank to its lowest level since 1982 and total economic growth in 2008 was an anemic 1.1%. The declining job market, together with negative news in the credit markets and the housing market are the reasons for the decline according to economists at the Conference Board, the organization that compiles the index. The modest increase since February 2009 is the perception that the recession may be bottoming out.

The declining job market, together with negative news in the credit markets and the housing market are the reasons for the decline according to economists at the Conference Board, the organization that compiles the index. The modest increase since February 2009 is the perception that the recession may be bottoming out.

Residential Market

The double-digit annual appreciation in home pricing, between 2001 and 2005, has come to an end. Realtors have seen significant increase in available inventory and increase in marketing times; and have advised and changed marketing strategies. They urge sellers to be more realistic when pricing a home because buyers are looking at more choices and presenting lower offers. The slowdown in the residential market is contributing to a decrease in consumer confidence, as there is a national real estate slowdown.

The Lexington market has not escaped the downturn in the residential housing market recession that has plagued the entire nation since 2005. But to say that Lexington has fared better than almost any other town in Massachusetts or the U.S. for that matter is not an exaggeration. The median house price has remained around \$700,000 since 2005, when in most other towns significant declines have been seen.

Consider that under perhaps the worst economic conditions in the past 30 years, local developers still had enough confidence in 2008 to pull building permits to construct 52 new homes in town, priced from \$850,000 to \$3,500,000. And those homes are selling, albeit at a slower pace than in 2004 or 2005.

This activity is remarkable for a town that is essentially fully built out. In fact, there are only a couple of newer single family developments ongoing in town at the present; the 14 lot *Pine Meadow Farm* off of Cedar Street and the 7 lot *Luongo Farm* off of Pleasant Street. The remainder of the new construction activity is the result of the 'tear down' phenomena that has been going on in Lexington since the late 1990's. Indeed, well over 500 smaller, older homes in Lexington have been razed over the past 10 years to make way for new larger homes/mansions. This underscores Lexington's desirability from a residential standpoint.

Conclusions: The national economy is in a state of flux as it continues shedding jobs. Real estate values continue to decline across much of the country. Massachusetts' economy has also lost jobs along with the national recession and the May 2009 jobs data is the first increase in more than 10 months. This is too early to celebrate the end of the recession because the present level of employment is about where the state was at the beginning of 2003! This will continue to impact both the economy and the residential housing market.

Lexington has been affected by the market slowdown and softening of prices in both houses and condominiums. It is taking longer to sell properties and increased marketing time and weak demand has forced prices lower. New residential developments in Lexington have been very successful, however the slowing market conditions in Eastern Massachusetts impacted Lexington and slowed new development.

NEIGHBORHOOD SUMMARY

The subject is located on the southerly side of Massachusetts Avenue, Routes 4 & 225, about ½ mile from the center of town. Access to I-95/Rte 128 is 4 miles west while access to Route 2 is 1.5 miles south. The 1.1 million square foot *Burlington Mall* is 6 miles to the northwest via I-95.

The neighborhood is part of the Munroe Tavern Historic District named for the tavern at the corner of Percy Road and Massachusetts Avenue. Other nearby sites include the Munroe Cemetery located behind the subject, Minuteman Bike Path, also north of the subject, Muzzy High School Condominium, a rehabilitation project from the middle 1980's, the Community of Christ Church and the Seasons Four garden center and greenhouses.

The neighborhood is primarily residential in nature. It consists of older single family dwellings, colonials and capes, on lots of 10,000 to 30,000 sq ft. The 200 year old colonial adjacent to the subject at 1415 Massachusetts Avenue is pending sale at \$1,175,000 after being on the market for less than a month. This is an indication of the desirability of this location near town center. This neighborhood has not seen many of the 'teardowns' or substantial re-builds discussed earlier, likely due to the Historic District overlay.

Conclusions:

This is an attractive and historic location in Lexington. Massachusetts Avenue is also Routes 4 & 225 and carries a high volume of traffic. Despite this, the proximity to town center and the historic Munroe Tavern District makes this an appealing neighborhood. The predominate uses in this area are residential.

TAX SUMMARY

The property is assessed in the name of Town of Lexington in the following manner. Taxes and assessment for 2009 & 2008 are detailed.

Year	Map/Lot	Land Assessment	Building Assessment	Yard Items Assessment	Total Assessment	Tax Rate	Taxes	CPA Surcharge	Total Taxes
2009	39-64	\$551,000	\$2,761,000	\$16,000	\$3,328,000	\$24.62	\$81,935.36	\$2,458.06	\$84,393.42
2008	39-64	\$551,000	\$2,761,000	\$16,000	\$3,328,000	\$23.63	\$78,640.64	\$2,359.22	\$80,999.86

The property is tax-exempt as it is town owned property, however if sold it would be taxed as a commercial property at the going rate at these assessed values.

Comments:

Lexington uses a split rate for taxation with the commercial rate being substantially higher than the residential rate. Lexington has approved the Community Preservation Act and stipulates an additional 3% of the taxes for this fund. The assessment is not considered to represent market value for the subject. Often, minimal diligence is applied to assessment of town properties or tax-exempt properties. For example the former Adams School, built in 1902, at 739 Massachusetts Avenue is similar in size (22,124 sf) sited on 10 acres and is assessed for a total of \$1,374,000.

Zoning

The subject property is located within the *Residence RS* zoning districts of the Town of Lexington. Permitted uses in this district include agriculture, conservation, single-family dwellings, religious; municipal; or governmental uses.

Dimensional requirements for RS District include a minimum lot size of 15,500 sq ft and a minimum frontage of 125 linear feet.

The subject is also located within the Munroe tavern Historic District. This overlay to zoning requires Historic Commission District permission for construction, exterior changes, signage, color changes and demolition.

Comments: The subject property is a governmental use by the town of Lexington and considered conforming. Any alternative use must meet zoning requirements for the residential districts and the historic district. More will be presented in the Highest and Best Use analysis.

DESCRIPTION OF SUBJECT PROPERTY

SITE

Lot Area: The site area is 68,833 \pm square feet (1.58 Acres) along Massachusetts Avenue with 144 feet of frontage.

Topography: The topography is slightly sloping away from Massachusetts Avenue. This slope allows for a walkout basement for the improvement.

Utilities Available: All public utilities are available to the subject site.

Easements/Restrictions: Inspection of the site and plan revealed no easements or encroachments. There is an access way from Massachusetts Avenue along the stonewall on the western side of the property to the Munroe Cemetery. This appears to be used by the subject property as its access to the subject property. The relationship between the subject lot and this access way should be delineated before any property sale.

Flood Zone: The property does not appear to be located in a flood hazard zone per FIRM Map #250198-0005C dated September 30, 1993.

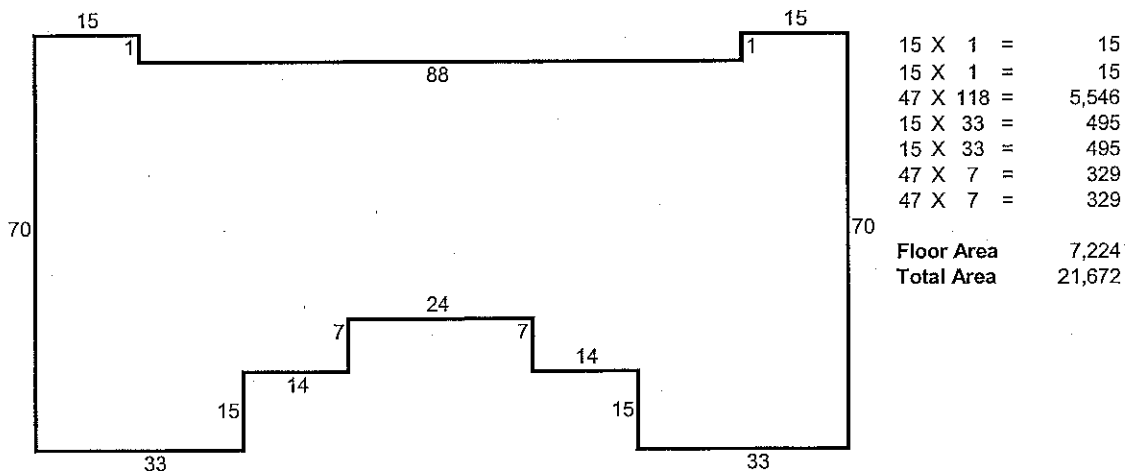
Soil Conditions: Soil types are less important to the subject development because of the town water and sewer utilities. The soils do not appear to be adverse to development.

IMPROVEMENTS

The site is improved by a 1905 vintage, two story with full basement school facility. Construction features brick front facades, fieldstone foundation, and combination of brick and cedar shakes for the siding. The windows are oversize and double hung with storm windows. The roof is asphalt shingle and appears to be in above average condition. There is a walkout basement due to the slope of the land.

The interior features 12' ceilings, plaster walls and ceilings, transoms above the doors and hardwood floors with some area carpeting over them. The first floor features a girl's lavatory; second floor a boy's lavatory and the basement features one of each. Access into the building is via stairs with two stairwells along the eastern and western end of the building. The largest classrooms are on the ends with smaller ones located in the middle of the building.

The building has a 400 amp electrical service, but much of the wiring is older. There are two oil fired steam boilers located in the basement serving both floors and the basement. One boiler is no longer functional and both may be wrapped with asbestos. There are 3 surface oil tanks for fuel storage in the basement. Gas is available to the building but only used for a single domestic hot water heater. The building dimensions are shown in the following chart:



The most recent improvement to the property was installation of a compliant fire sprinkler system. This was installed by the town and recently finished. According to the Capital Needs Assessment the following major features at the property need attention:

- Heating systems are inadequate to service the facility with only one functioning boiler. The projected cost to replace and update this system was \$155,046 in 2007.
- Mechanical Systems/Electrical service & Elevator all require modernization or installation. The projected cost to modernize these systems and install the elevator was \$1,086,118 in 2007.

- Handicap Accessibility—the effectively three story building has stair access only and poor ramp access from the basement. The estimated cost to update the structure with adequate ramps and bath facilities is \$75,000.

There is also investment required in the parking lot, playground equipment, building design, exterior painting and future roof requirements. According to the needs assessment, the total projected costs for all modernization required at the subject is \$2,359,173 or \$104.67 in 2007 dollars. The needs assessment also spans multiple years in spending and installing these requirements, which another owner might be required to complete by the town, before occupancy for alternative use is allowed.

These cost figures are taken with some skepticism as being too low. The recent fire and building sprinkler system cost more than \$579,000 and is a line item in the Capital Needs Assessment for only \$100,000. Typically renovation costs to older building range from \$75/sf to more than \$200/sf depending on the age and amount required to meet modern standards. It is possible, given the recent example that the required capital to modernize the subject may be higher than the \$2,359,173 figure presented in 2007.

Any potential buyer would seriously look at the required renovation costs in order to determine what they would pay for a building with this significant amount of renovation and modernization required.

Comments: The subject property is a former school now being used as an arts center. The site is oversize for the zoning district but lacks sufficient frontage to be divided into an additional building lot. The building was built circa 1905 and is considered in average condition but with a significant list of recommended renovations required to become a more modern facility. It has many attractive features including high ceilings and large windows. The current operation has assumed the costs of the day-to-day operation of the building relieving the town of this responsibility however; the capital items and needs remain. The building functions best as a school, and under its present configuration is continued as such.

HIGHEST AND BEST USE

Highest and best use is a forecasting process, which answers three questions: Should a site be left as is? Should it be improved? What improvement provides the greatest value? A property is examined by four criteria: Legally permissible, physically possible, financially feasible and maximally productive. These criteria, once examined, will describe an ideal improvement for the property. Please see the definitions section of the report Addenda.

As if Vacant: The site, if vacant, would be used for single family development. The site meets the minimum requirements for a single, oversize building lot in the RS (15,500 sf/125 lf) zone. Despite the size, there is insufficient frontage to subdivide the property. Two recent sales along Massachusetts Avenue at 2226 and 2400 (both in 2008) demonstrate land prices from \$475,000 to \$500,000 for older dwellings (ranch & colonial) razed for new development. Lot sizes for these properties were around 15,000 sf. The subject lot would likely receive a premium for size. Highest and best use if vacant is for a single, oversize residential building lot.

As Improved: The site is improved by a two story and full basement former school. The property was constructed circa 1905 and represents a substantial improvement. It has been used by the town for decades and began its second life as an arts center in the middle 1980's. The combination of land and building is considered more valuable than the site alone. The historic district would have input on any exterior changes proposed for the building façade and appearance.

The legally allowed uses in the RS zone is predominantly residential. Governmental, institutional, religious and education uses are also allowed. The building could be converted into a large single-family, however we found no examples of this reuse. Conversion into a single-family dwelling appears unlikely.

The most likely allowed uses include: day care center, school age children care program, nursery school, kindergarten, elementary, secondary or vocational school. Religious, public or non-profit educational corporation can operate these uses. A church is also a possible use as church conversions have been made on many buildings in the area. Locally the best example of similar use is the Waldorf School in the former Adams School at 739 Massachusetts Avenue. This was purchased in 1984 and is a similar size and vintage former Lexington school. This example is considered the strongest evidence of likely use.

There is a provision for the conversion of municipal buildings for redevelopment opportunity, under Article VIII, Special Zoning Districts, Section D. This allows the development of property with sites less than 125,000 sf and frontage of less than 100 feet. General objectives include:

- Encourage practical residential development in reuse of existing structures.
- Compatibility with adjacent neighborhood.
- Encourages development of economically priced housing and a variety of housing types.
- Fosters flexibility and creativity in disposition of surplus municipal property.

The criteria and design requirements follow the development of land into the RD district and require site plan review with the Board of Selectmen serving as permitting authority. This type of development also requires town meeting presentation and rezoning vote. This is a likely the method by which the Muzzy High School was redeveloped into housing in the 1980's. This is considered an extraordinary requirement for development into alternative residential use; beyond the legally allowed uses and too speculative for this analysis.

Physically the site has few development barriers; the building however does require significant investment in order to modernize the property. This influences the financial feasibility of use. Any buyer must weigh the capital costs of restoring the facility with its intended use and cost.

The maximally productive use of the facility is for continued institutional type use, consistent with the building's original use. Alternative residential use as a single family dwelling is unlikely and conversion into any multi-family project would require significant investment for site plan approval and required zoning change. This alternative involves many uncertainties related to the ultimate configuration and approval of such use.

Based on this analysis the highest and best use for the subject is use as an education facility, possible religious facility, school age children care program, nursery school, kindergarten, elementary, secondary or vocational school. The most likely uses would be school orientated based on the existing building layout.

As Restricted: Much of the previous analysis is germane including likely use, however, once a restriction is placed on a property its market appeal will be negatively impacted. In the subject's case, while generally similar institutional/educational are likely, future options are limited. Restricting use impacts a property in both the present and the future and has a corresponding value impact. The following possible uses would be eliminated:

- The alternative residential uses will be eliminated.
- The provision for the future conversion of the subject will be eliminated
- The opportunity to reuse the facility as a church might be eliminated, as religious uses may not be considered educational or artistic.

Reducing the property's appeal in the market by placing a restriction on use will have a negative market impact on the present and future utility of a property. The highest and best use under restriction is education and artistic uses by not for profit entities only.

APPRAISAL PROCESS

The methodology traditionally used for the valuation of real property is derived from three basic approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. From the indicated values produced by each of these approaches and the weight accorded to each, an estimate of market value is made. The following is a brief summary of the method used in each approach to value.

Cost Approach:

The Cost Approach is an analysis of the physical value of a property; that is the market value of the land, assuming it were vacant, to which is added the depreciated value of the improvements to the site. The latter is estimated to be the reproduction cost of the improvements less accrued depreciation from all causes.

Sales Comparison Approach:

The Sales Comparison Approach is based upon the principle of substitution, that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property assuming no costly delay in making the substitution. Since few properties are ever identical, the necessary adjustments for differences between comparable properties and the subject property must be, market based and augmented by the appraiser's experience and judgment.

The Income Capitalization Approach:

Utilizing a property's ability to generate income, appraisers can analyze and converted this income stream into an estimate of value. Many commercial properties are leased in order to derive a stream of income. The Income Capitalization Approach can used to estimate both the fee simple and leased fee interests in a property. The fee simple and leased fee values can be the same when lease rates are at market rates.

Valuation Methods Used

We have been asked to estimate two values for the subject. The first at highest and best use as is. The second is as if the property is restricted to non-profit use. In order to accomplish these valuations we have used the Sales Comparison Approach, which is considered the most applicable appraisal tool.

We considered applying an Income Capitalization Approach to the subject however; similar age school properties are not typically bought as investments. In many cases rental rates for schools are well below market because the owners (often public entities or towns) simply want them occupied in order to minimize maintenance.

The Cost Approach was not considered for the property due to its age and amount of depreciation.

SALES COMPARISON APPROACH

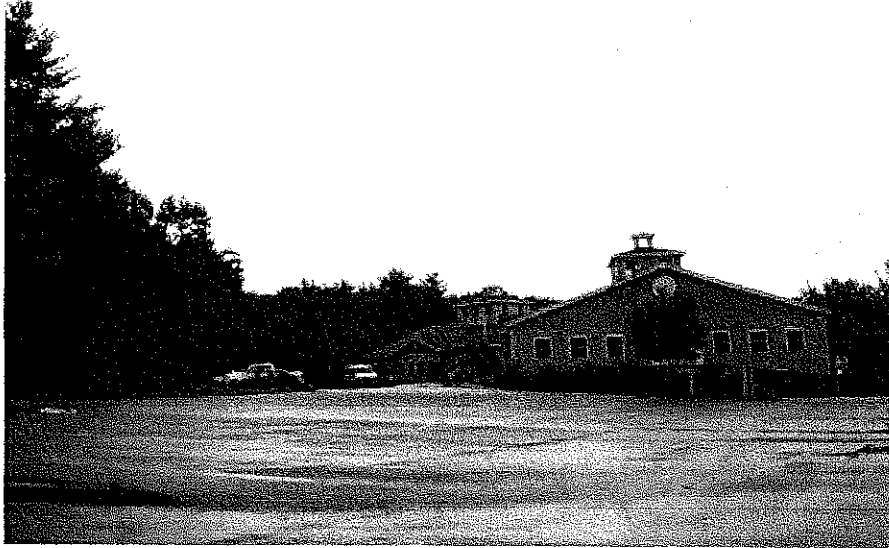
The Sales Comparison Approach is a comparative analysis of recently sold properties to the subject property. All comparables are adjusted to the subject property. An indication of value is developed from each comparable and a final estimate of value for the subject is made.

This approach starts with research pertaining to relevant property sales and current offerings throughout the competitive area. The data collected has been analyzed to select those properties deemed most similar. In most cases a common unit of comparison accomplishes the comparison. Adjustments are made to the comparable properties to account for differences between them and the subject.

The sales of similar school property types are taken from 2005 to the present. This is due to the small size of the market for similar properties. Selection of comparables came from Lexington and surrounding/competing towns in Eastern Massachusetts. Towns with similar population size or density were selected as offering the highest degree of comparability.

These factors will be used in analyzing the subject's appeal in the market, because most school properties tend to appeal to regional users looking to consolidate or expand facilities. We found most of the school sales transfer to private schools and/or public charter schools. This is because these buyers have a more difficult time in building new facilities without state aid afforded public schools. The following comparables are considered to be the most similar property sales found in our research:

Improved Sale No. 1



Property Identification

Record ID	812
Property Type	School
Address	40 Brick Kiln Road, Chelmsford, Middlesex - North County, Massachusetts

Sale Data

Grantor	Chelmsford Alliance for Education
Grantee	Merrimack Education Center, Inc.
Sale Date	July 01, 2008
Deed Book/Page	22291/270
Recorded Plat	77-307-10
Property Rights	Fee Simple
Marketing Time	6 Months
Financing	\$2,110,000 mortgage with Enterprise Bank
Sale History	Sold for \$2,458,370 10/02 Bk 13781, Pg 290
Verification	Tim Willis/Appraiser; Walter Landberg/Seller, Other sources: Assessor/Appraisal/Deed, Confirmed by Richard Bernklow

Sale Price	\$2,485,000
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Land Data

Land Size	10.100 Acres or 439,956 SF
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Improved Sale No. 1 (Cont.)

Zoning	R, Residential
Topography	Rolling
Utilities	All public
Dimensions	Irregular/2 Parcels
Shape	Irregular

General Physical Data

Building Type	Single Tenant
Gross SF	23,215

Construction Type	Wd Frame
Roof Type	Asphalt Shingle
Foundation	Concrete
Sprinklers	Yes
Stories	1
Floor Height	10+
Year Built	2001
Condition	Good

Indicators

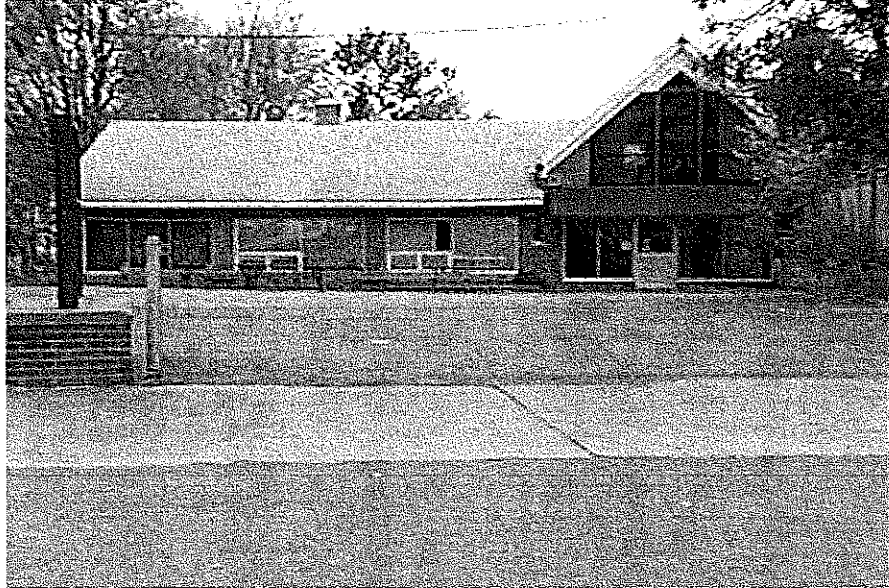
Sale Price/Gross SF	\$107.04 Actual
Floor Area Ratio	0.05
Land to Building Ratio	18.95:1

Remarks

The site contains a total of 10.10 acres. It is irregular in shape and has 159.19 feet of frontage on Brick Kiln Road. The site is heavily affected by wetlands, of the 10.10 acres, only 3.8+/- acres are usable upland. The upland area of the land is located in the northern section. The improvements are a two level, 23,215 square foot school building. Of this total, 14,634 square feet will be on the first level while 8,581 square feet will be located on the finished, walk out lower (basement) level. The building is wood frame construction and the first floor contains (6) 800 square foot classrooms, an entry lobby, a 1,000 sq ft library, a large common room, a multi purpose room, administration offices and 2 restrooms. The lower level contains an additional (6) 800 square foot classrooms, 4 restrooms, storage, and a teacher's lounge. There is a handicap accessible lift between the two levels of the building, located in the central, rest-room area of each floor.

A gas fired H.V.A.C. system, with compressors located on the roof, services the building, along with a 600-amp main electric, three-phase/four wire service. The exterior grounds feature landscaped areas surrounding the building, 97 lined parking spaces, and a front entry-drop-off area. One school sold the property to another educational company. The seller purchased the former BU/Wang Center in Tyngsborough to keep its Middle School and expand into a High School. They then sold this property as surplus because they did not want to carry two properties. The buyer operates a number of educational programs in the region and purchased this building to consolidate and offer new programs. The building was in good condition at time of sale.

Improved Sale No. 2



Property Identification

Record ID 885
Property Type School
Address 292 Cabot Street, Beverly, Essex County, Massachusetts

Sale Data

Grantor Montserrat College of Art, Inc.
Grantee Health and Education Services, Inc.
Sale Date April 15, 2008
Deed Book/Page 27695/345
Recorded Plat 11-353
Property Rights Fee Simple
Marketing Time 465 Days
Financing \$1,600,000 mortgage for acquisition & renovation by Beverly National Bank

Sale History Sold for \$235,000 in 1998, Bk 15186, Pg 593
Verification Edward Dick/Broker; Other sources: Comps/MLS/Deed, Confirmed by Richard Bernklow

Sale Price \$850,000

Land Data

Land Size 0.466 Acres or 20,299 SF
Zoning CC/Commercial, Commercial
Topography Mostly Level
Utilities All public
Dimensions Irregular
Shape Irregular

General Physical Data

Building Type Single Tenant
SF 8,189
Construction Type Wd Frame
Roof Type Asphalt Shingle
Foundation Concrete
Stories 1+
Year Built 1950

Improved Sale No. 2 (Cont.)

Indicators

Sale Price/ SF	\$103.80
Floor Area Ratio	0.40
Land to Building Ratio	2.48:1

Remarks

This is a school building part of the Montserrat Campus in Beverly. It was declared surplus property due to distance from main campus and placed on the market. It features some wall unit air conditioning, multiple classrooms, computer lab, conference rooms, cubical workspaces and small second floor loft area. The entire facility was finished including the basement for class space. The interior was in above average condition and the exterior was in average condition at time of sale. The buyers proceeded to renovate the property for Head Start/daycare use including installation of elevator, installing baths in each classroom and installing kitchenettes in each classroom. Part of this renovation was paid by a \$530,000 federal grant. The buyers spent \$675,000 in total renovations according to the building permits. The renovated building will accommodate 100 students and 30 staff.

Improved Sale No. 3



Property Identification

Record ID 884
Property Type School
Address 306 Highland Avenue, Malden, Middlesex - South County, Massachusetts

Sale Data

Grantor Roman Catholic Archbishop of Boston
Grantee Mystic Valley Regional Charter School, Inc.
Sale Date April 25, 2007
Deed Book/Page 49336/486
Recorded Plat 33-146-606
Property Rights Fee Simple
Financing Cash Sale; financed in bulk mortgage for \$5,000,000 by Salem Five
Sale History No prior sale in previous 60 months
Verification Mystical Valley School; Other sources: Assessor/MLS/Deed, Confirmed by Richard Bernklow

Sale Price \$2,756,250

Land Data

Land Size 1.085 Acres or 47,263 SF

Improved Sale No. 3 (Cont.)

Zoning	Residence
Topography	Mostly Level
Utilities	All Public
Dimensions	Irregular
Shape	Irregular

General Physical Data

Building Type	Single Tenant
SF	32,560

Area Breakdown	Bld 1	19,416
	Bld 2	13,144

Construction Type	Brick
Roof Type	Membrane
Foundation	Concrete
Stories	3
Year Built	1920

Indicators

Sale Price/ SF	\$84.65
Floor Area Ratio	0.69
Land to Building Ratio	1.45:1

Remarks

This is the sale of the former Immaculate Conception School in Malden to the Mystic Valley Charter School. The buyer and seller were acquainted as they leased other property in Everett. The charter school had long sought to purchase their own facility and this building was purchased after the existing catholic school closed in 2006. This building houses the High School portion of the charter school which serves grades K-12 and more than 1,200 students. The deed stipulated that if the property was sold by the buyers within 3 years a percentage of the sales price was due to the Archbishop of Boston.

Improved Sale No. 4



Property Identification

Record ID 669
Property Type School
Address 1-3 Commerce Way, Norwood, Norfolk County, Massachusetts 02062

Sale Data

Grantor The May Institute, Inc.
Grantee The South Area Solomon Schechter Day School Inc.
Sale Date December 30, 2005
Deed Book/Page 171762
Recorded Plat 15-5-5
Property Rights Fee Simple
Financing Cash Sale
Sale History Sold for \$3.7 million in 2001
Verification Cathy Minnerly/Broker; Other sources: Comps/Assessor/Transfer Dir/Deed, Confirmed by Richard Bernklow

Sale Price \$3,575,000

Land Data

Land Size 4.600 Acres or 200,376 SF
Zoning I, Industrial
Topography Rolling

Improved Sale No. 5 (Cont.)

Utilities All public

General Physical Data

Building Type Single Tenant
Gross SF 42,183

Construction Type Wood Frame
Roof Type Asphalt Shingle
Foundation Concrete
Stories 3
Floor Height 9+
Year Built 1981

Indicators

Sale Price/Gross SF \$84.75 Actual
Floor Area Ratio 0.21
Land to Building Ratio 4.75:1

Remarks

This is a 2 story contemporary building constructed in 1981 along a cul de sac just in off of Route 1. It was constructed originally as an office and function facility. It was purchased by the May Institute in January 2001 for re-development into a school facility for special needs children. The broker stated the school spent \$250,000 in upgrades when purchased. A major capital expenditure of \$2,200,000 was planned but never materialized. The 3-story building contains an elevator. The property was purchased when the May Institute relocated and consolidated its facilities to Randolph. The South Area Solomon Schecter Day School plans an extensive campaign to expand the building. The plan is for a \$7.5 million dollar expansion of the property. This will include an outside basketball court, state of the art science/computer rooms, new library, gymnasium and media centers and dedicated arts and music spaces. The school moved from 710 Turnpike Street, Stoughton, which is on the market for sale (8/06).

Improved Sale No. 5



Property Identification

Record ID	670
Property Type	Municipal, School
Address	171 Mechanic Street, Foxboro, Norfolk County, Massachusetts 02035

Sale Data

Grantor	Town of Foxborough
Grantee	The Sage Center for Learning
Sale Date	July 18, 2005
Deed Book/Page	22656/198
Recorded Plat	46-1156
Property Rights	Fee Simple
Marketing Time	1 Year
Financing	\$400,000 line of credit with Citizens Bank
Sale History	No prior sale noted in previous 60 months
Verification	John Neas/Appraiser; Other sources: Appraisal/Buyer/Deed/Assessor, Confirmed by Richard Bernklow

Sale Price	\$2,200,000
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Land Data

Land Size	11.410 Acres or 497,020 SF
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Improved Sale No. 5 (Cont.)

Zoning	R40, Residential
Topography	Rolling
Utilities	Town water, on site septic

General Physical Data

Building Name	Lewis Elementary School
Building Type	Single Tenant
Gross SF	31,502

Construction Type	Steel & Block
Roof Type	Membrane
Foundation	Concrete
Stories	1
Floor Height	10+
Year Built	1960

Income Analysis

Net Operating Income	\$180,000
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Indicators

Sale Price/Gross SF	\$69.84 Actual
Land to Building Ratio	15.78:1
Overall or Cap Rate	8.18%

Remarks

The property is improved with a one story, steel and concrete, vintage school building (the cafeteria and gymnasium have vaulted ceilings and clerestory windows), with a masonry exterior and flat, Carlisle membrane roof with skylights. The building was constructed in 1960 according to the town records and was originally used as the William R. Lewis Elementary School. The building is approximately 31,502 square feet in size on the first floor. The Sage School occupied the building as tenant before purchase with a small portion retained by the Town of Foxborough. The Sage School occupies the majority of the building as a private, independent school for academically gifted children from Kindergarten through Grade 8. The Town of Foxborough uses a limited amount of space for the offices of the Conservation Commission and the Planning Board. The school area has approximately 29,000 square feet, the town 2,500 sf. The Town of Foxborough, at a Special Town Meeting held on March 8, 2004, voted to authorize the Board of Selectmen to sell the former Lewis School for not less than the market value of the property as determined by an independent appraisal. Two appraisals formed the basis of negotiations for sale. The interior finish is a combination of suspended tile ceilings; plaster walls; and floors with carpeting, vinyl tile or ceramic tile. There are sinks in the classrooms. The property has a gas-fired steam heating system. There is no central air conditioning and no sprinkler system. The building is concrete slab on grade with only a small mechanical basement area. There are parking areas; walkways; and various outdoor activities associated with a school. Overall condition is average and there were some significant renovations required for the property to meet current school standards. The buyers were paying \$180,000 in annual rent at the time they bought the building.

Improved Sale No. 6



Property Identification

Record ID	883
Property Type	Educational Campus
Address	265 Lowell Street, Lexington, Middlesex - South County, Massachusetts

Sale Data

Grantor	Mary J. Walsh Convalescent and Nursing Home Trust/Mary Berrigan
Grantee	KR Education, LLC/Son Hui Kim
Sale Date	March 29, 2007
Deed Book/Page	49200/406
Recorded Plat	37-82
Property Rights	Fee Simple
Marketing Time	10 Months
Financing	Cash Sale; \$1,500,000 mortgage secured later from Patriot Bank
Sale History	No prior sale in previous 60 months
Verification	Robert Borgman/Wyman Street Advisors; Other sources: Comps/Assessor/Deed, Confirmed by Richard Bernklow
Sale Price	\$4,850,000

Improved Sale No. 6 (Cont.)

Land Data

Land Size	6.060 Acres or 263,974 SF
Zoning	RO/30,000 sf min, Residence
Topography	Rolling
Utilities	All Public
Dimensions	Irregular
Shape	Irregular

General Physical Data

Building Type	Single Tenant
SF	41,991
Construction Type	Brick
Roof Type	Shingle & membrane
Foundation	Concrete & Fstone
Stories	2+
Year Built	1900 Later additions

Indicators

Sale Price/ SF	\$115.50
Floor Area Ratio	0.16
Land to Building Ratio	6.29:1

Remarks

This was the former Fairlawn Nursing Home in Lexington. The property consists of a 1900 vintage colonial which has had several two story brick additions built onto it. It was offered as a redevelopment opportunity by the seller as it was no longer to be operated as a nursing home. The buyer purchased it for redevelopment into an educational campus for foreign students, especially those from Korea. The combination of building size, meeting rooms/class rooms and ready dorm rooms was what appealed to the buyer.

Sales Data Analysis

Each of the 6 sales presented are considered the best examples of sales from the market. Five sales were of school facilities while the 6th was a former nursing home converted into a school and dormitory. This sale was presented because it is in Lexington.

The sales have been compared to the subject on a price per square foot basis. This is the most common unit of comparison used by buyers and sellers of similar properties and is an all-encompassing indicator that reflects all of the positive and negative characteristics for each sale. The following analysis starts with adjustments made to the comparables.

Market Conditions Adjustment:

The first adjustment is for changing market conditions. We apply a -3% annual market conditions adjustment to the comparable sales based on the current weak market demand and lack of sales.

Market conditions are in flux. According to the MIT/CRE published index for commercial properties and the Moody's Commercial Property Price Index, commercial values decreased from -11.7% to -14% for 2008. Locally we have not seen sales and resales demonstrating this steep a decline. We have considered this information along with the current market and across the board declines in rental rates and have used -3% based on the weaker conditions and continued poor out look for the next 12-18 months.

To establish a common baseline for analysis, the adjusted price/sf indicator is shown in the table below:

- Sale 1 adjusts to \$107/sf rounded after market conditions adjustment.
- Sale 2 adjusts to \$99/sf rounded after market conditions adjustment.
- Sale 3 adjusts to \$78/sf rounded after market conditions adjustment.
- Sale 4 adjusts to \$75/sf rounded after market conditions adjustment.
- Sale 5 adjusts to \$61/sf rounded after market conditions adjustment.
- Sale 6 adjusts to \$107/sf rounded after market conditions adjustment.

Because of the lack of very close similarity between the sales and the subject, a precise quantitative adjustment analysis is not possible, and would be somewhat misleading. Although a quantitative analysis is not indicated, the sales do offer a good range of indicators from which an estimate of value can be properly derived for the subject.

Comparison of the Comparables and Subject:

After examining the market data, the most similar comparable to the subject is Sale 3 in Malden. This is the most similar age building, while the majority of the other comparables are newer buildings. This sale is in a suburban residential setting, while some of the other schools are in more rural areas. Lastly, this sale offers a similar amount of land supporting the building. Many of the other sales offer much larger lots, although in more rural settings. Sale 3, despite an older sales date, is considered the best example from the market and a good starting point for analyzing the subject.

Sale 1 and Sale 6 present the highest indicators. Sale 1 is the most modern school building sale. Sale 6 was converted from a nursing home to dormitory with some school space. Both are sited on much larger lots than the subject. Because of the age of the subject, its condition and lot size, these comparables are considered superior to the subject and value indicator this high is not warranted by the subject's characteristics.

Sale 2 is a modern school building of inferior wood frame construction but in much better condition than the subject. While it received extensive renovation after purchase, this was due more to the requirements of a daycare operation than a school. It was a modern building vs. the subject's older building. The value trend based on Sales 1 & 2 is that newer school properties sell at the upper end of the indicator range. Older schools, such as Sales 3 & 5 sell at lower indicators per sf. This makes logical sense and will be applied to the subject because it is an older school building.

Sale 4 was originally an office building converted to school use when sold in 2005. As a more modern facility it has a higher indicator than Sales 3 & 5, however, it is wood frame construction located in an industrial area and not a residential neighborhood. Some of these differences are considered offsetting for comparison with the subject, but the superior condition remains a significant difference.

The subject is closest in design, age and size to Sale 3; superior sales are Comparables 1, 2 & 6, while inferior sales are Comparables 4 & 5. Given this range the starting point for value is the adjusted indicator from Sale 3 at \$78/sf. This is well within the middle of the price range generated by all the comparables. Adjustment for superior the Lexington location vs. Malden is required. The Malden sale also requires adjustment for age and size differences. Total adjustment is slightly negative to \$70/sf. This is still within the middle of the indicators range but clearly reflects the average condition at the subject coupled with the forward-looking capital requirements. Many of the schools in this analysis received renovation after purchase. There is a balance to be achieved by paying the correct price, which allows for additional renovation into a usable facility that can still be affordable to the buyer.

New schools built by towns can cost from \$200/sf to \$300/sf without considering land costs. Because we recognize that the subject requires a significant amount of renovation and modernization, market value is not at the upper end of the indicator range. This is clearly for the most modern school buildings as exemplified by Sale 1.

Summary

The most similar comparable is Sale 3 because of age and size. The most appropriate end of the range of indicators is from \$60/sf to \$78/sf, because of the noted amount of physical wear and modernization required at the subject. The lowest indicator is not considered applicable due to locational differences between Lexington and Foxborough.

We have chosen to apply an indicator of \$70/sf. This indicator is well supported by all the other sales, once adjusted for superior/inferior characteristics with the subject. Based on this analysis, the indicated value of the subject from the sales comparison approach is displayed below.

The following is the indicated value of the subject property “as is” by the Sales Comparison Approach as of October 13, 2009.

Building Area		Indicator	Indicated Value
21,672 square feet	X	\$70 per sq ft	\$1,517,000
		ROUNDED	\$1,500,000

Alternative Restricted Value:

We have also been asked to estimate the value of the subject as if it were permanently limited to education and artistic uses by not for profit entities.

Investigating sales for this analysis was more difficult because few sellers are willing to restrict property uses and thereby reduce value. We identified and confirmed two sales that fit our search criteria for 'restricted sales.' They are presented on the following pages.

Improved Sale No. 1



Property Identification

Record ID	882
Property Type	Church
Address	111 Mount Auburn Street, Watertown, Middlesex - South County, Massachusetts

Sale Data

Grantor	Payson Park Church
Grantee	New England Theological Seminary, Inc.
Sale Date	April 03, 2009
Deed Book/Page	52521/597
Property Rights	Fee Simple
Marketing Time	6 Months
Financing	\$1,212,000 Mortgage from the Baptist General Conference Cornerstone Fund
Sale History	No prior sale in previous 60 months
Verification	Curtis Whitney/Broker; Other sources: Comps/Assessor/Deed, Confirmed by Richard Bernklow

Sale Price	\$1,325,000
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Land Data

Land Size	0.847 Acres or 36,891 SF
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Improved Sale No. 1 (Cont.)

Zoning	LB, Limited Business and Residence
Topography	Mostly level
Utilities	All public
Dimensions	Irregular/2 Parcels
Shape	Irregular/Corner Lot

General Physical Data

Building Type	Single Tenant
SF	42,552

Area Breakdown	Church	24,176	2 Flrs & Bsmt
	Function/Class	18,376	2 Flrs & Bsmt

Construction Type	Brick
Roof Type	Slate
Foundation	Concrete/Fstone
Stories	2+
Year Built	1855

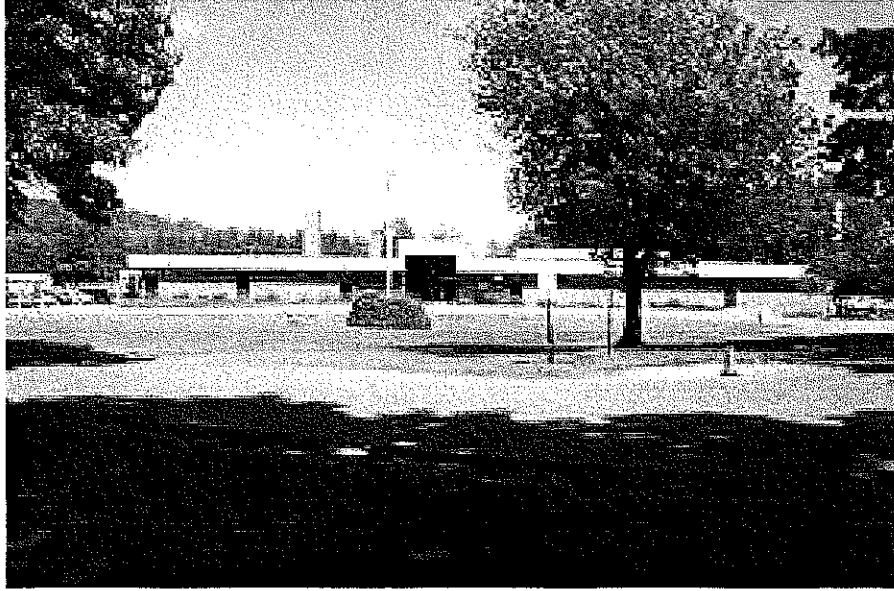
Indicators

Sale Price/ SF	\$31.14
Land to Building Ratio	0.87:1

Remarks

This sale is from one church group to another. The sale to a church was the seller's preference and part of the 2+ year marketing time. The sellers wanted to keep the facility an active church in the community and it is now called the Redemmer Fellowship Church. The facility features a brick 2 story church and brick 2 story function hall & classroom space, attached by a center wing. The church dates from 1855 and the function hall/school facility from 1937. Per the selling broker the property was in average condition, with some cosmetic updates required (carpeting, paint paper) and some bathroom modifications. The sanctuary is in good condition. The function hall has a basement kitchen and basement space is finished in both buildings. Prior to the church selling the property a portion was used by the Just for Kids Play School.

Improved Sale No. 2



Property Identification

Record ID	886
Property Type	School
Property Name	Francis W. Parker Charter School
Address	49 Antietam Street, Devens, Middlesex - South County, Massachusetts 01434

Sale Data

Grantor	MassDevelopment
Grantee	The Sizer Foundation, Inc.
Sale Date	August 29, 2007
Deed Book/Page	50024/126
Property Rights	Fee Simple
Sale History	Sold between MassDevelopment & US Army prior to sale
Verification	Andie Perkins/Trustee; Other sources: Assessor/Inspection/Deed, Confirmed by Richard Bernklow

Sale Price	\$1,600,000
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Land Data

Land Size	9.100 Acres or 396,396 SF
Zoning	Gateway II, Commercial
Topography	Mostly Level
Utilities	All Public
Dimensions	Irregular
Shape	Irregular

General Physical Data

Building Type	Single Tenant
SF	46,000

Construction Type	Brick
Roof Type	Membrane
Foundation	Concrete Slab

Improved Sale No. 2 (Cont.)

Year Built 1958

Indicators

Sale Price/ SF \$34.78

Land to Building Ratio 8.62:1

Remarks

The purchase price reflects a significant concession on the part of the Seller that considered the financial level the School can afford to pay and the fact that the Seller wants to ensure the continuation of the School as an educational choice for the residents of Devens. However, MassDevelopment retains the right of first refusal for a period of twenty years if the School sells the property to a non-educational user. The site is improved with a single story, concrete block and brick building currently occupied by the Francis W. Parker Charter Essential School. This is a regional charter school for Grades 7 through 12 with enrollment of 360± students. The building was constructed in 1958 with an addition built in 1975. It was originally the Fort Devens Elementary School. The school contains a lobby, & offices, twenty classrooms, small auditorium which doubles as the cafeteria, multiple lavatories, faculty room with two handicap-accessible bathrooms, gymnasium, kitchen, library, electrical/mechanical rooms, storage areas and an exposed courtyard area. The building totals 46,000± sf of area on one floor with a concrete slab foundation. There is an exterior ramp for handicap access and a one story, garage storage building. The interior finish is a combination of brick and suspended tile ceilings; brick and plaster walls; and brick, ceramic tile, linoleum and wood floors. There is an intercom system and a sprinkler system. The property has a gas-fired hot water heating system. There is no central air conditioning. MassDevelopment made capital improvements to the building in 1999-2000, before occupancy, in the amount of \$1,100,000. The buyer was a long-term tenant in the building and had also improved the property. The existing property sold in generally good condition.

Sales Analysis:

The range of indicators presented by these two sales is from \$31/sf to \$35/sf. Sale 1 was sold to the seller specifically because they would keep the property as a church active in the community. It was offered for sale at \$2,800,000 in 2006 and the marketing time taken reflects the requirement for an appropriate user. Sale 2 reflects the goal to retain the charter school at Devens.

We have given more emphasis to the upper end of the indicated range, principally because of the situation surrounding Sale 2. We find this to be a similar situation to what the restricted subject property would be in the market. It would be restricted for similar reasons to allow the continued use of the property by a financially secure user.

The range of these sales represents a significant discount to the first 6 sales presented in the first analysis. Sale 1 represents a discount of 49% to 70% off market indicators while Sale 2 presents a discount of 42% to 67% from the market indicators of the sales. With the limited data a discount in the middle of the range is considered supportive of the conclusion from the two sales.

Applying a 50% discount to the estimated \$70/sf applied in the conclusion of the (unrestricted) market valuation section provides an indicator of \$35/sf. This figure reflects the restricted condition of the property. Given the proposed restrictions and the smaller market/limited appeal to potential buyers, this is considered an appropriate figure and we utilize \$35/sf to apply to the subject as restricted.

Summary

The following is the indicated value of the subject property, as if restricted permanently to education and artistic uses by not for profit entities, by the Sales Comparison Approach as of October 13, 2009:

Building Area		Indicator	Indicated Value
21,672 square feet	X	\$35 per sq ft	\$758,520
		ROUNDED	\$760,000

RECONCILIATION AND VALUE CONCLUSION

The final step in estimating the market value of the subject property is a correlation of the values from each of the approaches used in the appraisal process. We did not complete a Cost Approach due to the age of the improvements. We did not include an Income Capitalization Approach because there is little data documenting school sales as investments. We completed a Sales Comparison Approach, which is based on sales of similar use properties in the marketplace. This is considered the most appropriate method of analysis for the subject.

The Sales Comparison Approach is based on six sales in Lexington and surrounding communities. Because of the property specifics, there is not a large market for similar properties. The selected sales represent institutional uses and school uses. The selected sales were considered the best available and after adjustment provide a reliable range of indications of value. The indicated value by the Sales Comparison Approach is \$1,500,000.

A second analysis was also presented for the 'as if restricted value' of the subject. This analysis uses additional comparable sales, which offered a restricted sale or discounted sale in order to retain a specific use type. These sales were presented and analyzed on both a price per sf basis and as a discount to market rate indicators. The indicated restricted value is \$760,000.

Based on this analysis, it is our opinion that the estimated "as is" market value, subject to the noted assumptions and limiting conditions of the fee simple interest in the subject property, as of October 13, 2009, is:

ONE MILLION FIVE HUNDRED THOUSAND (\$1,500,000) DOLLARS

It is further our opinion that the market value of the fee simple interest in the subject property, as if restricted permanently to education and artistic uses by not for profit entities, subject to the noted assumptions and limiting conditions as of October 13, 2009, is:

SEVEN HUNDRED SIXTY THOUSAND (\$760,000) DOLLARS

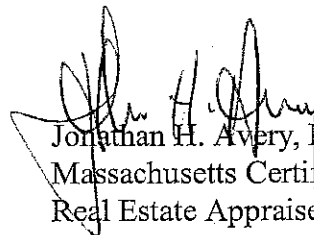
CERTIFICATION

We certify that, to the best of our knowledge and belief,

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Mr. Bernklow and Mr. Avery are currently certified under the voluntary continuing education program of the Appraisal Institute.
- We have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the persons signing this certification.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



Richard W. Bernklow, SRA
Massachusetts Certified General
Real Estate Appraiser #3111



Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

ADDENDA

SUBJECT PLAN

BUILDING LAYOUT

LICENSE AGREEMENT

ZONING EXCERPTS

Plan of Land in Lexington

May 1904

Scale 30 feet to an inch

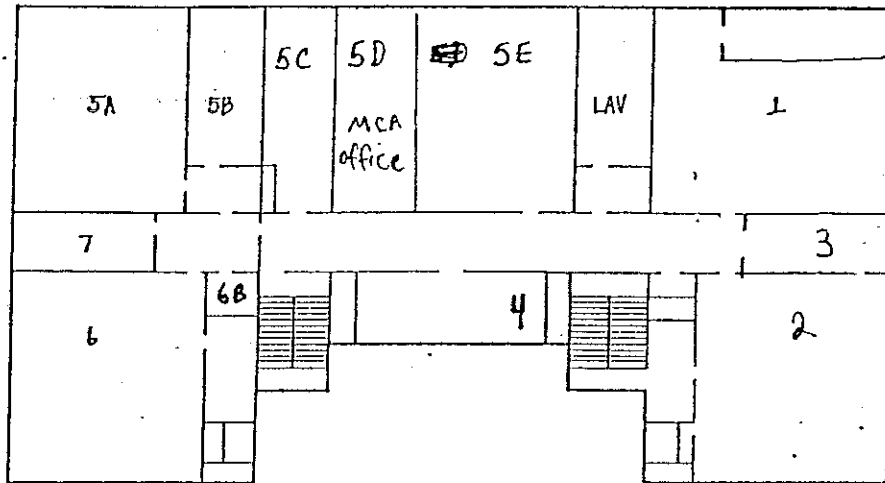


Massachusetts Ave

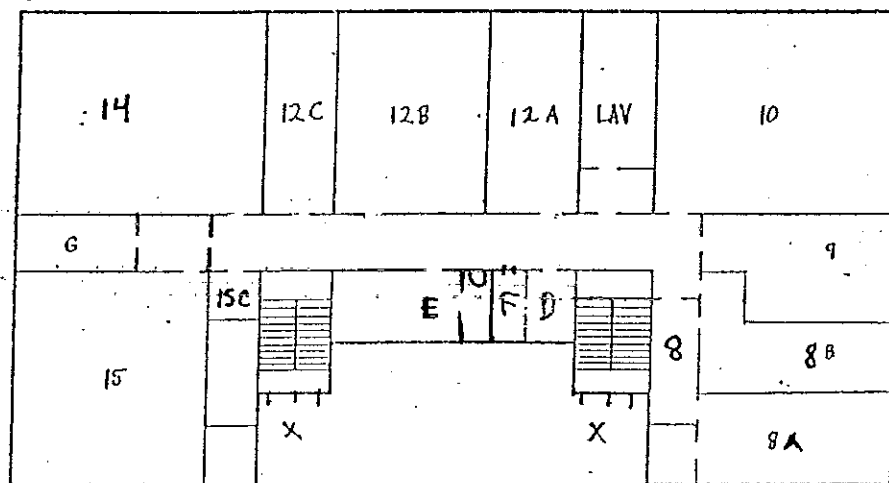
MUNROE CENTER FOR THE ARTS

1403 MASSACHUSETTS AVENUE
LEXINGTON, MA 02173
(617) 862-6040

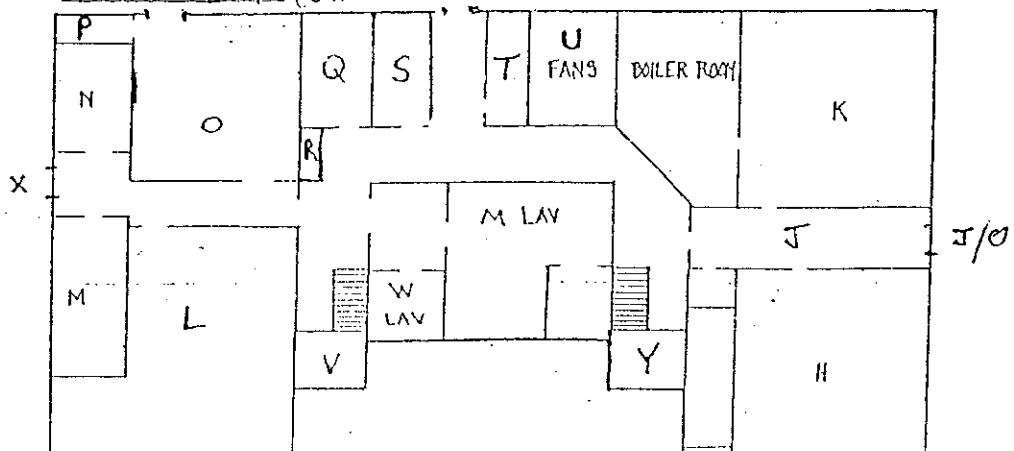
FIRST FLOOR (MAIN FLOOR)



SECOND FLOOR (TOP FLOOR)



GROUND FLOOR (Basement)



LICENSE AGREEMENT BETWEEN THE TOWN OF LEXINGTON AND THE MUNROE CENTER FOR THE ARTS

This temporary license agreement (the "License") is entered into as of this 1st day of October, 2008 by and between the Town of Lexington, Massachusetts, a municipal corporation with a mailing address of 1625 Massachusetts Avenue, Lexington, Massachusetts 02420 ("Lexington"), and The Munroe Center for the Arts, a Massachusetts nonprofit organization with a mailing address of 1403 Massachusetts Avenue, Lexington, Massachusetts 02420 (the "Munroe Center").

Whereas, Lexington owns a number of buildings in the town that are not currently being used by Lexington;

Whereas, the town property that is located at 1403 Massachusetts Avenue, Lexington, Massachusetts (the "Premises"), including the building known as the Munroe School (the "Munroe School"), has been used by the Munroe Center for more than twenty (20) years;

Whereas, the Munroe Center is a 501(c)(3) organization that supports and sustains educational, cultural and community enrichment and service programs related to the arts, which programs provide benefits for the residents of Lexington and therefore serve an important public purpose;

Whereas, in order to ensure continued stability, the Munroe Center has requested a long term lease; however, such a lease requires a more formal public bidding process, and pending completion of such process, the parties are entering into this temporary license agreement, in which Lexington wishes to permit the Munroe Center to continue to use the Premises for itself and other Public Arts Purposes Programs.

Whereas, the Munroe Center is willing to assume the responsibilities and comply with the agreements set forth herein for operating and maintaining the Premises and managing the use of the Premises to provide studio space, classes, public performances, community meeting space and other such uses as may be permitted under this License;

Now therefore, in consideration of the foregoing and the mutual promises herein contained, Lexington and Munroe Center hereby agree as follows:

1. Premises; Permitted Uses.

- (a) During the Term (as defined in Section 2 below), the Munroe Center shall be entitled to the use and occupancy of the Premises in accordance with the terms of this License. A plan of the Premises is attached hereto as Exhibit A.
- (b) The Munroe Center and its employees, agents, representatives, and invitees may use the Premises for the following purposes, subject to the terms of this License:
 - (i) Public events, including meetings that are open to the public, staged productions, fundraising and similar events;

- (ii) Office uses;
 - (iii) Classroom instruction and studio uses; and
 - (iv) Other lawful uses as may be permitted by Lexington hereunder.
- (c) Notwithstanding anything set forth herein to the contrary, at no time shall the Premises be used for business or commercial purposes other than those approved by the Board of Selectmen.
 - (d) At no time shall alcoholic beverages be served or sold for consumption on the Premises without a license by the Lexington Board of Selectmen.
 - (e) The Munroe Center shall make facilities within the Munroe School available for municipal and public service uses, including but not limited to meetings of Lexington's boards and committees, as requested by Lexington and without cost to Lexington, pursuant to a schedule to be arranged from time to time between Lexington and the Munroe Center, upon reasonable advance notice and with reasonable efforts to minimize interference with the Munroe Center programs (collectively, "Municipal Co-Use").
 - (f) The Munroe Center has demonstrated, to the satisfaction of Lexington, that it is a civic, charitable, cultural, historical or educational organization. The Munroe Center shall maintain such status throughout the Term.
 - (g) The Munroe Center hereby accepts the Premises in its present condition, "as is", without any representations or warranties of any kind.

2. **Term and Termination.** The term of this License (the "Term") shall commence on October 1, 2008 (the "Commencement Date") and, unless sooner terminated, shall terminate on February 1, 2010 (the "Expiration Date"). Notwithstanding anything set forth herein to the contrary, (a) either party hereto may terminate this License for any cause prior to February 1, 2010 upon one-hundred and twenty (120) days written notice to the other party and (b) the Munroe Center may terminate this License immediately in the event of fire or other casualty to the Premises which causes the Munroe School to become unusable.

If no termination notice has been given under the preceding paragraph, the term of this License may be extended by Lexington on a 90 day basis for up to (18) additional months (August 1, 2011) so long as Lexington delivers written notice of each extension to the Munroe Center for the Arts at least ten (10) days before each applicable Expiration Date.

3. **License Fee.** The Munroe Center shall pay to Lexington a fixed fee (the "License Fee") of \$24,000 per year, payable on the first day of each month in monthly installments of \$2,000.00 (monthly installments for any partial month in the Term shall be paid in advance and prorated).
4. **Hours of Operation.** For the uses permitted hereunder, the Munroe Center and its employees, agents, representatives, and invitees may use the Premises from 7:00 a.m. to 11:00 p.m. daily.
5. **Maintenance, Repair and Cleaning.** The Munroe Center agrees, at its sole cost and expense, to maintain, repair and clean the Premises and to keep the Premises in good order, repair and condition. This obligation shall include but is not limited to:
 - (a) Arranging and paying for the supply of all heat, water, gas and utilities necessary for the operation of the Premises (Lexington shall not be required to furnish to the Munroe Center any facilities or services of any kind whatsoever during the Term; Lexington makes no representation or warranty that existing sources of supply, distribution points or utilities are adequate or sufficient for the Munroe Center's uses);
 - (b) Maintaining and repairing the Munroe School plumbing, interior walls, floors, and ceilings subject to wear and tear in the ordinary course of use; provided it being acknowledged that the Munroe Center, as short term licensee, is not obligated to make structural repairs or replacements or major capital repairs;
 - (c) Arranging for maintenance services, including but not limited to the cleaning of floors, walls and internal fixtures, rubbish removal, snow removal, pest control and kitchen and bathroom cleaning; and
 - (d) Providing for building safety and security, including but not limited to regular checking and repair or replacement as necessary of locks and other security devices and fire alarm systems; and
 - (e) Landscaping to the entire site except the playground area; and
 - (f) Snow removal from walkways and driveways.

As provided herein, the Munroe Center shall have the right, at its own expense, to make tenant improvements to the Premises, including but not limited to the replacement of floor treatments and appliances as may be desired by the Munroe Center. Any work performed by the Munroe Center during the Term shall be completed in accordance with all necessary permits and approvals and shall require the prior written approval of Lexington in Lexington's sole discretion.

Any improvements made to the Premises prior to the Commencement Date set forth in Section 2 hereof will be reviewed by the Lexington Building Commissioner's Office upon the commencement of this License, and the Munroe Center will, as necessary, bring all improvements into compliance with applicable rules, regulations, codes and ordinances as soon as practicable; it being acknowledged that the Munroe Center, as short term licensee, is not obligated to make structural repairs or replacements or major capital repairs.

Lexington has the right, but not the responsibility unless specifically provided otherwise herein, to repair, renovate or alter the Premises during the Term. Any such repairs, renovations or alterations shall be done at Lexington's sole cost and expense, and Lexington agrees to work with the Munroe Center to minimize the impact of any such repairs, renovations or alterations on the daily operations of the Munroe Center. The Munroe Center may request a renegotiation of the monthly License Fee if the renovations have a measurable financial impact on the Munroe Center's operations.

Lexington shall be entitled to inspect the Premises periodically during the Term upon reasonable prior notice to the Munroe Center. Lexington agrees to exercise its rights under this paragraph in such a manner as to prevent, or minimize to the extent practicable, any unreasonable interference with the Munroe Center's use of the Premises.

If, in Lexington's reasonable discretion, Lexington determines that the Munroe Center has failed to keep the Premises in an acceptable state of repair, maintenance and cleanliness, Lexington may (a) require the Munroe Center to remedy any health and/or safety issues within ninety (90) days after delivering notice of those issues to the Munroe Center, (b) require the Munroe Center to address any other issues as soon as possible, or (c) perform or cause to be performed such repair, cleaning, maintenance or replacement as Lexington deems necessary, provided that it being acknowledged that the Munroe Center, as short term licensee, is not obligated to make structural repairs or replacements or major capital repairs. The Munroe Center shall reimburse Lexington for the cost of any such repair, cleaning, maintenance or replacement consistent with the foregoing within thirty (30) days of receipt of a written invoice from Lexington.

Notwithstanding anything set forth in this Section 5, the Munroe Center shall not be responsible for the upkeep, repair and/or maintenance of the playground area and the recreation field in the rear of the Premises and the parking lot. Rather, Lexington shall be responsible for this upkeep, repair and maintenance.

6. **Insurance.** The Munroe Center shall carry, throughout the Term and at its sole cost and expense, all of the insurance coverage listed below:
 - (a) *Commercial general liability insurance*, written on an occurrence basis and including contractual liability coverage to cover any liabilities assumed under this License, for bodily or personal injury or death of persons or damage to property on or about the Premises. The amount of such liability insurance shall be not less than Two Million Dollars (\$2,000,000) per occurrence.

- (b) *Worker's compensation insurance* as required by the laws of the Commonwealth of Massachusetts covering persons employed by the Munroe Center.
- (c) During the period of any construction hereunder conducted by the Munroe Center, the Munroe Center shall keep in full force and effect "*Builder's All Risk*" insurance against loss or damage on a completed value non-reporting basis from such hazards and in such amounts as Lexington may reasonably require.
- (d) *Business automobile liability insurance* covering owned, non-owned and hired vehicles with a limit for bodily injury and property damage of not less than One Million Dollars (\$1,000,000) per accident.
- (e) The Munroe Center acknowledges that all of its personal property including equipment, inventory, trade fixtures, and other personal property of the Munroe Center, or any personal property of the Public Arts Purposes Programs operating thereunder, shall be at the sole risk and expense of the Munroe Center or the Public Arts Purposes Programs. Lexington shall have no responsibility for such property.

Lexington shall carry property insurance for the Munroe School building during the Term.

The minimum coverage stated in this Section 6 may be reconsidered if such an adjustment is reasonably necessary to reflect inflation or changes in the nature or degree of risks insured or to protect against judgments from time to time being awarded in Massachusetts for injury and death.

All insurance provided for in this Section 6 shall be effected under valid and enforceable policies, issued by insurers of recognized responsibility licensed and doing business in Massachusetts and having a so-called Best's Rating of "A" or better, or, if such rating is no longer issued, an equal or better rating by a successor insurance carrier rating service reasonably acceptable to Lexington. All such insurance shall name Lexington as an additional insured. Any deductible amounts under any insurance policies required hereunder shall not exceed Ten Thousand Dollars (\$10,000). Upon the execution of this License, and thereafter not less than twenty (20) days prior to the expiration dates from time to time of the policies required pursuant to this Section 6, binders of such insurance or, upon written request of Lexington, duplicate originals of the policies, shall be delivered by the Munroe Center to Lexington. In addition, evidence of the payment of all premiums of such policies will be delivered to Lexington. All commercial general liability and casualty policies maintained by the Munroe Center will be written as primary policies, not contributing with and not in excess of coverage that Lexington may carry. If the Munroe Center fails to maintain any of the insurance required hereunder, which failure continues for ten (10) days after Lexington gives notice to the Munroe Center of such failure, then Lexington, at its election, may procure such insurance as may be necessary to comply with the above requirements (but shall not be obligated to procure the same), and the Munroe Center shall repay to Lexington the cost of such insurance.

7. **Indemnification.** The Munroe Center hereby indemnifies and holds Lexington harmless from any injury, loss, claim or damage to any person or property resulting from (a) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Premises or any part thereof during the Term and (b) any material failure on the part of the Munroe Center to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this License on its part to be performed or complied with, except that the Munroe Center will not be required to indemnify and hold harmless Lexington from any injury, loss, claim or damage that is caused by the gross negligence or willful misconduct of Lexington (but only to the extent that such loss, claim or damage is caused by Lexington's gross negligence or willful misconduct).

If Lexington obtains separate counsel in enforcing its rights hereunder due to the requirements of M.G.L. C. 268A or due to reasonable concerns that its interests and that of the Munroe Center may be adverse or that counsel provided by the Munroe Center may have a conflict in interest or is not providing effective representation of Lexington, then the reasonable expenses of such separate counsel shall be at the Munroe Center's expense.

The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to Lexington which would exist at common law or under any other provision of this License, and the extent of the obligation of indemnification shall not be limited by any provision of insurance undertaken in accordance with this Section 7. This License is made on the express condition that Lexington shall not be liable for, or suffer loss by reason of, any damage or injury to any property, fixtures, buildings or other improvements or to any person or persons at any time on the Premises, specifically including any damage or injury related to the Premises, unless caused by the gross negligence or willful misconduct of Lexington.

The provisions of this Section 7 shall survive the termination or expiration of this License.

8. **Other Conditions.**

- (a) The Munroe Center shall provide Lexington with a copy of its annual financial report no later than ninety (90) days after the close of its fiscal year on December 31. The Munroe Center shall also provide annually, on July 1st of each year of the Term, as extended, copies of all sublicenses or assignments, if any, permitted hereunder.
- (b) The Munroe Center shall pay all real estate taxes or betterment assessments assessed against the Premises during the Term and shall hold harmless Lexington from any liability for any such amounts.
- (c) Subject to ordinary wear and tear, the Munroe Center agrees not to harm the Premises, or commit or permit waste, or create any nuisance or disturbance, or

make any use of the Premises other than the permitted uses as set forth in Section 1 hereof.

- (d) During the Term, the Munroe Center shall comply in all material respects, at its own cost and expense, with (a) all applicable laws, by-laws, ordinances, codes, rules, regulations, orders, and other lawful requirements of the governmental bodies having jurisdiction over the Premises or the Munroe Center, including without limitation, the Zoning Bylaw and other ordinances of Lexington, and (b) the requirements of all policies of public liability, fire and all other types of insurance at any time in force with respect to the Premises.
- 9. **Force Majeure.** In no event shall Lexington be liable to the Munroe Center for any indirect or consequential damages to the Munroe Center if the Munroe Center is delayed in or prevented from using the Premises as permitted under this License by reason of any cause beyond Lexington's reasonable control, including, without limitation, acts of God, strikes, lockouts, labor troubles, failure of power or other utility services, riots, insurrection, war, or the requirements of any regulations of general application (herein "Force Majeure Events"). The failure of either party hereto to perform its obligations, covenants and agreements hereunder shall be excused if the party failing to perform is unable to so perform by reason of Force Majeure Events, provided, however, the Munroe Center shall not be excused from any monetary obligations hereunder by reason of any Force Majeure Events unless such Force Majeure Events result in the Munroe Center being prevented from using all or a material part of the Premises as permitted under this License, and provided further, however, that in each such instance of inability of either party to perform, the non-performing party shall exercise due diligence to eliminate the cause of such inability to perform, to secure alternate sources of supply and the like.
- 10. **Non-Assignment.** The Munroe Center shall not assign or otherwise transfer this License or any interest in this License or the Premises without the express written consent of Lexington, which consent may be withheld in Lexington's sole discretion.
- 11. **Surrender and Holdover.** The Munroe Center shall on the last day of the Term, or upon any earlier termination of this License, (a) quit and peacefully surrender and deliver up the Premises to the possession and use of Lexington without delay and in good order, condition and repair, including any fixtures and/or improvements installed by the Munroe Center therein. The Premises shall be surrendered free and clear of all liens and encumbrances other than those existing on the Commencement Date and those permitted under this License or created or suffered by Lexington. Upon or at any time after the expiration or earlier termination of this License, Lexington shall have, hold and enjoy the Premises and the right to receive all income from the same.

The Munroe Center shall remove from the Premises all personal property within thirty (30) days after the termination of this License and shall repair at the Munroe Center's sole cost any damage to the Premises caused by such removal, unless Lexington permits such property to remain.

If the Munroe Center or any party claiming by, through or under the Munroe Center retains possession of the Premises or any part thereof after the expiration or earlier termination of this License, then Lexington may, at its option, serve written notice upon the Munroe Center that such holding over constitutes (i) an Event of Default under the License, or (ii) a month-to-month tenancy, upon the terms and conditions set forth in this License, or (iii) the creation of a tenancy-at-sufferance, in any case upon the terms and conditions set forth in this License. The Munroe Center shall also pay to Lexington all damages actually sustained by Lexington resulting from retention of possession by the Munroe Center. The provisions of this paragraph shall not constitute a waiver by Lexington of any right of re-entry as set forth in this License, nor shall receipt of any License Fee or any other act in apparent affirmation of the Munroe Center's holdover operate as a waiver of Lexington's right to terminate this License for a breach of any of the terms, covenants, or obligations herein on the Munroe Center's part to be performed. Any personal property or equipment of the Munroe Center not removed within thirty (30) days following the expiration of this License shall, at Lexington's option, become the property of Lexington.

12. **Default.** Each of the following events shall be deemed an "Event of Default" hereunder:

- (a) If the Munroe Center shall fail to pay, as and when due, any payment of the License Fee or other sums payable under this License and such failure shall continue for a period of fifteen (15) days after notice from Lexington to the Munroe Center;
- (b) If the Munroe Center shall fail to perform or comply with any of the other agreements, terms, covenants or conditions in this License for a period of thirty (30) days after notice from Lexington to the Munroe Center specifying the items in default, or in the case of a default or a contingency which cannot with due diligence be cured within such thirty (30) day period, for such additional time reasonably necessary provided the Munroe Center commences to cure the same within such 30-day period and thereafter prosecutes the curing of such default with diligence;
- (c) If the Munroe Center shall initiate the appointment of a receiver or the Munroe Center shall make an assignment for the benefit of creditors, or the Munroe Center shall initiate voluntary proceedings under any bankruptcy or insolvency law or law for the relief of debtors, or if there shall be initiated against the Munroe Center any such proceedings which are not dismissed or stayed on appeal or otherwise within ninety (90) days, or if, within ninety (90) days after the expiration of any such stay, such appointment shall not be vacated or stayed on appeal;
- (d) If the Munroe Center vacates or abandons the Premises for a period of more than forty-five (45) consecutive days; *provided, however*, that the Munroe Center shall not be deemed to have vacated or abandoned the Premises with respect to any period during which all or any portion of the Premises may be vacant as a result

of or in connection with work being done to repair or restore the Premises in accordance with the terms hereof;

- (e) The Munroe Center makes any assignment or transfer of its rights hereunder in violation of this License; or
- (f) The Munroe Center violates any term of the License beyond the applicable grace and cure periods.

13. Default Remedies.

- (a) Termination. Upon an Event of Default, Lexington at any time thereafter may give written notice to the Munroe Center specifying such Event or Events of Default and stating that this License and the Term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least ten (10) days after the giving of such notice. Upon the date specified in such notice, this License and the Term hereby demised and all rights of the Munroe Center under this License shall expire and terminate (unless prior to the date specified for termination the Event or Events of Default shall have been cured, in which case this License shall remain in full force and effect), and the Munroe Center shall remain liable as hereinafter provided and all improvements shall become the property of Lexington without the necessity of any deed or conveyance from the Munroe Center to Lexington. The Munroe Center agrees upon request of Lexington to immediately execute and deliver to Lexington any deeds, releases or other documents deemed necessary by Lexington to evidence the vesting in Lexington of the ownership of all improvements. Upon such termination, Lexington may re-enter the Premises and dispossess the Munroe Center and anyone claiming by, through or under the Munroe Center by summary proceedings or other lawful process.
- (b) Lexington's Right to Perform Covenants.
 - (i) Upon an Event of Default, Lexington may, but shall be under no obligation to, cure such default. Lexington may enter upon the Premises (after five (5) days' written notice to the Munroe Center except in the event of emergency) for any such purpose and take all such action thereon as may be necessary. Lexington shall not be liable for inconvenience, annoyance, disturbance or other damage to the Munroe Center or any operator or occupant of the Premises by reason of making such repairs or the performance of any such work or on account of bringing materials, tools, supplies and equipment onto the Premises during the course thereof, and the obligations of the Munroe Center under this License shall not be affected thereby.
 - (ii) All reasonable sums so paid by Lexington and all reasonable costs and expenses incurred by Lexington, including reasonable attorneys' fees and expenses, in connection with the performance of any such act shall be paid

by the Munroe Center to Lexington within thirty (30) days of receipt of a written invoice from Lexington therefor. If Lexington shall exercise its rights under this Section 13(b) to cure a default of the Munroe Center, the Munroe Center shall not be relieved from the obligation to make such payment or perform such act in the future, and Lexington shall be entitled to exercise any remedy contained in this License if the Munroe Center shall fail to pay such obligation to Lexington. All costs incurred by Lexington hereunder shall be presumed to be reasonable in the absence of a showing of bad faith, clear error, or fraud.

- (c) Injunctive Relief. In the event of any breach or threatened breach by the Munroe Center of any of the agreements, terms, covenants or conditions contained in this License, the Munroe Center shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies that were not provided for in this License.
- (d) Remedies Cumulative. Each right and remedy provided for in this License shall be cumulative and shall be in addition to every other right or remedy provided for in this License or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lexington of any one or more of the rights or remedies provided for in this License or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lexington of any or all other rights or remedies provided for in this License or now or hereafter existing at law or in equity or by statute or otherwise.

14. Notices. Any notice required or permitted hereunder shall be in writing and shall be hand delivered or sent by registered or certified mail, postage prepaid, return receipt requested, and addressed:

if to Lexington, to:

Carl F. Valente
Town Manager
Town of Lexington
1625 Massachusetts Avenue
Lexington, Massachusetts 02420

and if to the Munroe School to:

Christian Herold, Director
Munroe Center for the Arts
1403 Massachusetts Avenue
Lexington, Massachusetts 02420

15. **Locks.** The Munroe Center will not change the locks on the Premises nor install any additional locks without, in each instance, first securing the prior written consent of Lexington, not to be unreasonably withheld, provided a set of keys shall be given to Lexington for all such locks.
16. **Environmental.** "Environmental Laws" means, collectively, any federal, state, or local law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) pertaining to environmental regulations, contamination, clean-up or disclosures, and any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. ("RCRA"); the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq. ("SARA"); the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq. ("TSCA"); the Hazardous Materials Transportation Act, 49 U.S.C. Appx. §§ 1801 et seq.; the Massachusetts Hazardous Waste Management Act, Mass. Gen. L. c. 21C §§ 1 et seq.; the Massachusetts Oil and Hazardous Material Release Prevention and Response Act, Mass. Gen. L. c. 21E §§ 1 et seq.; the Massachusetts Toxic Use Reduction Act, Mass. Gen. L. c. 21I §§ 1 et seq.; the Underground Storage Tank Petroleum Product Cleanup Fund, Mass. Gen. L. c. 21J §§ 1 et seq.; or any other applicable federal or state statute or city or county ordinance regulating the generation, storage, containment or disposal of any Hazardous Material (as defined below) or providing for the protection, preservation or enhancement of the natural environment, any rules or regulations promulgated pursuant to any of the foregoing statutes or ordinances, including but not limited to laws relating to groundwater and surface water pollution, air pollution, transportation, storage and disposal of oil and hazardous wastes, substances and materials, stormwater drainage, and underground and above ground storage tanks; and any amendments, modifications or supplements of any such statutes, ordinances, rules and regulations.

The Munroe Center hereby represents, warrants and covenants that, except as may be permitted by and only in accordance with Environmental Laws, the Munroe Center shall not allow any Hazardous Materials (as defined below) to exist or be stored, located, discharged, possessed, managed, processed, or otherwise handled on the Premises, and shall strictly comply with all Environmental Laws affecting the Premises. For purposes of this License, "Hazardous Materials" shall mean, but shall not be limited to, any oil, petroleum product and any hazardous or toxic waste or substance, any substance which because of its quantitative concentration, chemical, radioactive, flammable, explosive, infectious or other characteristics, constitutes or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, including without limitation any asbestos (whether or not friable) and any asbestos-containing materials, lead paint, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), toxic metals, explosives, reactive metals and compounds, pesticides, herbicides, radon gas, urea formaldehyde foam insulation and chemical, biological and radioactive wastes, or any other similar materials which are included under or regulated by any Environmental Law.

The agreements, representations and warranties of the Munroe Center in this section shall survive the expiration or earlier termination of this License.

17. Miscellaneous.

- (a) No Waiver. The failure of either Lexington or the Munroe Center to insist upon the strict performance of any provision of this License shall not constitute a waiver of compliance with the remaining provisions hereof
- (b) Sole Agreement. This License shall constitute the only agreement between Lexington and the Munroe Center relative to the use of the Premises, and no oral statements and no prior written matter not specifically incorporated herein shall be of any force and effect. In entering into this License, the Munroe Center relies solely upon the representations and agreements contained herein.
- (c) Amendments. This License may be amended only by written agreement of both Lexington and the Munroe Center.
- (d) Governing Law. This License shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts.
- (e) Severability. If any term or provision of this License or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this License, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this License shall be valid and be enforced to the fullest extent permitted by law.
- (f) Successors and Assigns. The covenants and agreements herein contained shall bind and inure to the benefit of Lexington, its successors and assigns, and the Munroe Center, its successors and assigns.
- (g) Lexington Liability. Anything contained in this License to the contrary notwithstanding, but without limitation of the Munroe Center's equitable rights and remedies, Lexington's liability under this License shall be enforceable only out of Lexington's interest in the Premises, and there shall be no other recourse against, or right to seek a deficiency judgment against, Lexington, nor shall there be any personal liability on the part of Lexington or any member of its Board of Selectmen, or any officer or employee of Lexington, with respect to any obligations to be performed hereunder. Without limitation of the foregoing, Lexington shall not be liable for any loss, damage or injury of whatever kind caused by, resulting from, or in connection with (i) the supply or interruption of water, gas, electric current, oil or any other utilities to the Premises, (ii) water, rain or snow which may leak or flow from any street, utility line or subsurface area or from any part of the Premises, or (iii) other leakage from pipes, appliances, sewer or plumbing works therein or from any other place; provided if any of the foregoing render the premises unusable for its intended uses for more than three (3) consecutive days, there shall be a pro rata abatement of the License

Fee payable hereunder, until the condition is corrected. In no event shall Lexington be liable to the Munroe Center for any indirect, special or consequential or punitive damages or loss of profits or business income arising out of or in connection with this License.

- (h) Captions, Exhibits, Gender, Etc. The captions of this License are for convenience and reference only and in no way define, limit or describe the scope or intent of this License nor in any way affect this License. The exhibits to this License are incorporated into this License and are a part hereof. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine, and neuter adjectives include one another.
- (i) Time of the Essence. Time shall be of the essence hereof.
- (j) Request for Consent. The Munroe Center shall reimburse Lexington for its reasonable attorneys' fees and out-of-pocket expenses incurred in connection with any request by the Munroe Center for Lexington's consent hereunder, provided, however, that Lexington shall provide the Munroe Center with an estimate of said fees and/or expenses for the Munroe Center's review and approval prior to incurring such costs.
- (k) Prevailing Party. In any litigation between the parties arising out of this License, or in connection with any other actions taken or notices delivered in relation to a default by any party to this License, the non-prevailing party shall pay to the prevailing party the prevailing party's reasonable attorneys' fees and costs incurred in connection with the enforcement of the terms of this License.
- (l) Brokers. Each of Lexington and the Munroe Center each warrants and represents to the other that it has had no dealings or negotiations with any broker or agent in connection with this License. Each agrees to pay, and shall hold the other harmless and indemnified from and against any and all costs, expenses (including without limitation counsel fees) or liability for any compensation, commissions and charges claimed by any broker or agent resulting from any such dealings by the indemnifying party with respect to this License or the negotiation thereof
- (m) Covenants Running with the Land. The Munroe Center intends, declares, and covenants, on behalf of itself and all future holders of the Munroe Center's interest hereunder, that this License and the covenants and restrictions set forth in this License regulating and restricting the use, occupancy, and transfer of the Premises (a) shall be and are covenants running with the Premises, encumbering the Premises for the term of this License, binding upon the Munroe Center and the Munroe Center's successors-in-interest; (b) are not merely personal covenants of the Munroe Center; and (c) the benefits shall inure to Lexington.
- (n) Entire Agreement. This License, including all attached exhibits, contains the entire agreement between Lexington and the Munroe Center with respect to its subject matter. Except for those which are specifically set forth in this License,

no representations, warranties or agreements have been made by Lexington or the Munroe Center to one another with respect to this License.

- (o) Cumulative Rights. Except as expressly limited by the terms of this License, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.
- (p) Counterparts. This Agreement may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.
- (q) Intent and Effect. The terms and conditions of this License have been freely accepted by the Munroe Center and Lexington.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of this
23 day of June, 2009.

The Munroe Center for the Arts

Town of Lexington

By: _____

Name: _____

Title: _____

By: Carl F. Valente

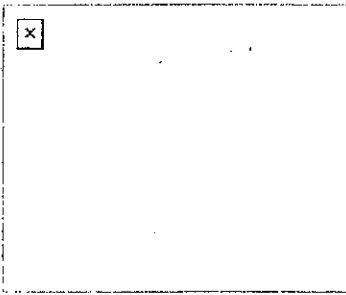
Name: Carl F. Valente

Title: Town Manager

Per BOS vote: 6/22/2009

EXHIBIT A

Premises



MBLU : 39/162/11
Location: 1403 MASSACHUSETTS AVE
Owner Name: TOWN OF LEXINGTON
Account Number:

Parcel Value

Item	Assessed Value
Buildings	2,761,000
Xtra Bldg Features	0
Outbuildings	16,000
Land	551,000
Total:	3,328,000

Owner of Record

TOWN OF LEXINGTON
MUNROE SCHOOL

Ownership History

Owner Name	Book/Page	Sale Date	Sale Price
TOWN OF LEXINGTON			0

Land Line Valuation

Size	Frontage	Zone	Assessed Value
1.58 AC		RS	551,000

Construction Detail

Building # 1	Stories: 2	Occupancy 1
STYLE SCHOOL PUBLIC	Exterior Wall 2 SHINGLE	Roof Structure GABLE/HIP
Exterior Wall 1 BRICK/MASONRY	Interior Wall 1 PLASTER	Interior Floor 1 WW/CARPET
Roof Cover ASPH/FBGL/COMP	Heating Fuel OIL	Heating Type HOT WATER
Interior Floor 2 VINYL/ASPHALT	Bldg Use MUNICIPAL MDL-96	Total Bedrms 00
AC Type NONE	1st Floor Use: 903I	Heat/AC HEAT/AC SPLIT
Total Baths 0	Baths/Plumbing AVERAGE	Ceiling/Wall SUS-CEIL & WL
Frame Type STEEL	Wall Height 12	
Rooms/Prtns AVERAGE		

Building Valuation

Living Area: 19,781 square feet Year Built: 1950

Print Summary

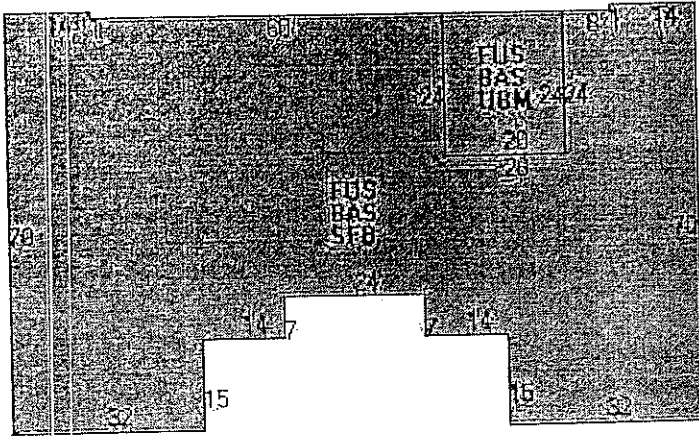
Extra Features

Code	Description	Units
No Extra Building Features		

Outbuildings

Code	Description	Units
PAV1	PAVING-ASPHALT	10800 S.F.
LT10	W/DOUBLE LIGHT	5 UNITS

Building Sketch



Subarea Summary

Code	Description	Gross Area	Living Area
BAS	First Floor	7084	7084
FUS	Upper Story, Finished	7084	7084
SFB	Lower Level Finished	6604	5613
UBM	Basement, Unfinished	480	0

permitted.

- (2) To assist in the determination of developable site area, where applicable, each application for a special permit, a special permit with site plan review, or a building permit shall be accompanied by a map of existing site conditions clearly identifying, and a calculation, expressed in square feet of land area, of: all parts of a lot located in a wetland, a Wetland Protection Zoning District, and another zoning district in which the principal use of the lot is not permitted. The map and the calculation shall be certified as to accuracy and shall bear the stamp of a land surveyor or professional engineer registered in the Commonwealth of Massachusetts.
- B. Maximum floor area; floor area ratio. The maximum net floor area on a lot shall not exceed the product of the developable site area and the maximum floor area ratio set forth in Table 2, Schedule of Dimensional Controls, for the district in which the lot is located. To simplify the determination of net floor area, 80% of the gross floor area may be used.
- C. Determination of maximum floor area for a structure with a child care facility. The floor area of any structure shall be measured exclusive of any portion of such structure in which a day-care center or school age child care program (See definitions.) is to be operated as an accessory or incidental use, and the otherwise allowable floor area of such structure shall be increased by an amount equal to the floor area of such child care facility up to a maximum increase of 10%. In any case where the otherwise allowable floor area of a structure has been increased pursuant to the provisions of this section, the portion of such structure in which a child care facility is to be operated as an accessory or incidental use shall not be used for any other purpose unless, following the completion of such structure, the Board of Appeals shall have granted a variance, with the written concurrence of the State Office for Children, that the public interest and convenience do not require the operation of such facility. (See also Chapter 40A, § 9C, the Zoning Act, MGL, as amended for other provisions dealing with child care facilities operated as an accessory or incidental use.) [Added 3-27-1991 ATM by Art. 33]

ARTICLE VIII, Special Zoning Districts [Amended 4-4-1983 ATM by Art. 12; 4-4-1984 ATM by Art. 14; 4-8-1985 ATM by Art. 11; 4-14-1986 ATM by Art. 40; 5-4-1987 ATM by Art. 42; 5-6-1987 ATM by Art. 43; 5-3-1993 ATM by Art. 26; 3-30-1998 ATM by Art. 39; 3-22-1999 ATM by Art. 39; 4-9-2008 ATM by Art. 49]

§ 135-42 Planned development districts.

- A. Objective. A planned development district is intended:
 - (1) To permit considerable flexibility in the development of tracts of land by requiring few predetermined standards;
 - (2) To permit a developer to propose, and for the Town to vote on, a site development and use plan unique to a particular location;

Town of Lexington
PC/Codebook for Windows

- (3) To permit the use of development standards more detailed than the more general standards elsewhere in this bylaw;
 - (4) To provide information for the Town to evaluate the potential impacts of a proposed development and to enable the SPGA to require adherence to such site development plans in the granting of a special permit.
- B. Planned Commercial District CD.
 - (1) Standards for development. The Planned Commercial District CD does not have predetermined standards for development. Such standards are to be proposed by the developer, included in the preliminary site development and use plan and approved by the Town Meeting.
 - (2) Town Meeting presentation. Each petition presented to the Town Meeting for rezoning land to a CD District shall include a preliminary site development and use plan as described in § 135-14 and shall be filed in accordance with the provisions of that section.
 - (3) Uses permitted. No use is permitted and no development may occur in a CD District except in conformity with a preliminary site development and use plan approved by the Town Meeting, the provisions of this section and a special permit with site plan review granted by the SPGA. Uses other than commercial may be in a CD District if clearly identified in the preliminary site development and use plan approved by the Town Meeting.
 - (4) SPGA. The Board of Appeals shall be the special permit granting authority. In action upon applications for special permits with site plan review, the SPGA shall be governed by the provisions of § 135-12.
- C. Planned Residential Development Districts RD.
 - (1) Standards for development.
 - (a) A number of standards for development in the Planned Residential Development District RD are included here. Additional standards may be proposed by the developer and included in the preliminary site development and use plan and approved by the Town Meeting.
 - [1] Minimum area of tract to be developed: 125,000 square feet.
 - [2] Minimum frontage of the tract on an existing street: 100 feet.
 - [3] Minimum yard setback on perimeter of tract:
 - [a] Front yard: 40 feet.
 - [b] Side yard, rear yard: 30 feet.
 - [4] Maximum impervious surface ratio: .40.
 - [5] Minimum common open space as percentage of developable site area: 10%.
 - [6] Maximum height of building: 40 feet.
 - (b) In an RD District in which the area of the tract to be developed is not less than 20 acres and the planned residential development involves the redevelopment of existing structures, wherein not less than 25% of such existing structures shall be retained or rehabilitated, the following standards shall be modified as follows:
 - [1] Minimum yard setback on the perimeter of the tract:
 - [a] Front yard: eight feet.
 - [b] Side yard, rear yard: 30 feet.

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- [2] Maximum impervious surface ratio: 0.55.
 - [3] Maximum height of dwellings: 60 feet.
- (c) If a street or interior drive in an RD Planned Residential District is located in a minimum yard, there shall be a screen of densely planted vegetation and/or an opaque fence adjacent to the lot line, as provided in Article X of this bylaw, for such distance as the Planning Board may determine in order to provide protection for abutting residential lots.
- (d) Where there are more than 20 dwelling units in an RD District served by a dead-end street or dead-end interior drive, two means of access connected to the public street system, suitable for fire-fighting, medical and other emergency vehicles, shall be provided to each dwelling or dwelling unit. One means of access shall be a street or interior drive that complies with the standards for streets and rights-of-way set forth in the Subdivision Regulations. If not another street, the second means of access may be a paved way, subject to the approval of the Fire Chief, that:
 - [1] Is at least 10 feet wide, and constructed in a manner suitable for fire-fighting equipment;
 - [2] Has provision for snow removal and other maintenance to assure year-round access; and
 - [3] May have a gate or other barrier to restrict general motor vehicle traffic, provided there is an easy means of opening such gate or barrier for emergency vehicles.
- (2) Nonresidential uses. In an RD District, the planned residential development may also include commercial uses, provided:
 - (a) Such uses serve primarily the residents of the development;
 - (b) Such uses are conducted within and may be entered only from within a principal building;
 - (c) There is no external evidence of such uses visible beyond the development tract; and
 - (d) The appearance and character of the commercial uses are compatible with a residential development.
- (3) Town Meeting presentation. Each petition presented to the Town Meeting for rezoning land to an RD District shall include a preliminary site development and use plan as described in § 135-14 and shall be filed in accordance with the provisions of that section.
- (4) Development permitted. No types of residential buildings may be constructed and no development may occur in an RD District except in conformity with a preliminary site development and use plan approved by the Town Meeting, the provisions of this article and a special permit with site plan review (SPS) approved by the SPGA.
- (5) Types of buildings permitted in an RD District are: one-family detached, accessory apartment, two-family, townhouse, three-family, four-family, multi-family, rooming house, group quarters, independent living residence, assisted living residence, congregate living facility, long-term facility, and conversion of municipal building.
- (6) SPGA. The Board of Appeals shall be the special permit granting authority. In

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acting upon applications for special permits with site plan review, the SPGA shall be governed by the provisions of §§ 135-12 and 135-13.

- D. Conversion of municipal buildings and surplus municipal land.
- (1) General objectives. This section is intended to allow the conversion of municipal buildings and the development of land on which they are situated and of surplus municipal land in a manner which:
 - (a) Encourages practical residential development in the reuse of existing structures;
 - (b) Is compatible with the adjacent neighborhood;
 - (c) Encourages development of economically priced housing and a variety of types of housing; and
 - (d) Fosters flexibility and creativity in the disposition of surplus municipal property.
 - (2) Modified RD procedure. The conversion of a municipal building or the development of surplus municipal land shall follow the same procedures for the rezoning of land for the RD Planned Residential Development District with the following exceptions:
 - (a) The minimum size of the RD Planned Residential Development District and minimum area of the tract to be developed specified above and in Table 2^{28EN} may be less than 125,000 square feet; and
 - (b) The minimum frontage of the tract on an existing street specified above and in Table 2 may be less than 100 feet.
 - (3) SPGA. The Board of Selectmen shall be the special permit granting authority.
- E. Rezoning provisions applicable to both CD and RD Districts.
- (1) Filing of preliminary site development and use plan. Two copies of the preliminary site development and use plan which accompanies a petition for a rezoning shall be filed with the Town Clerk and one copy with the Planning Board at least three weeks prior to the Planning Board public hearing required to be held under Chapter 40A. Subsequent to that public hearing, revisions to the preliminary site development and use plan may be filed with the Town Clerk and the Planning Board and must be filed at least seven days prior to the first session of the Town Meeting. The vote of the Town Meeting shall refer to the preliminary site development and use plan and shall be considered part of the rezoning action.
 - (2) Amendments to the preliminary site development and use plan. After the filing of the preliminary site development and use plan which accompanies a petition for a rezoning, the Town Meeting shall not take favorable action on a proposed amendment to the preliminary site development and use plan unless:
 - (a) At least seven days prior to the vote of the Town Meeting on the petition the Town Meeting member proposing such amendment:
 - [1] Has filed a copy of the proposed amendment with the Town Clerk and the Planning Board; and
 - [2] Has sent a copy of the proposed amendment by registered mail to the petitioner.
 - (b) The Moderator shall determine that the proposed amendment is within the scope of the petition and the preliminary site development and use plan most

MASS GIS PHOTO

ZONING MAP

FLOOD MAP

AVERY ASSOCIATES

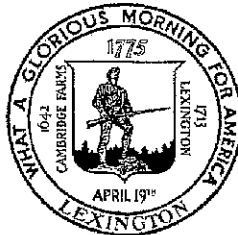
REAL ESTATE APPRAISERS - COUNSELORS

9/29/2009

Town of Lexington

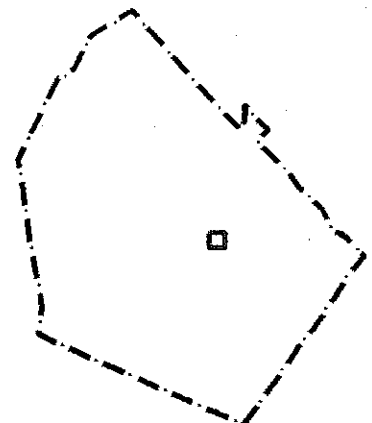


Property ID 39-62
Address 1403 MASSACHUSETTS AVE
Owner TOWN OF LEXINGTON



MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT

The Town of Lexington makes no claims and no warranties, concerning the validity, expressed or implied, of the accuracy of the GIS data presented on this map.



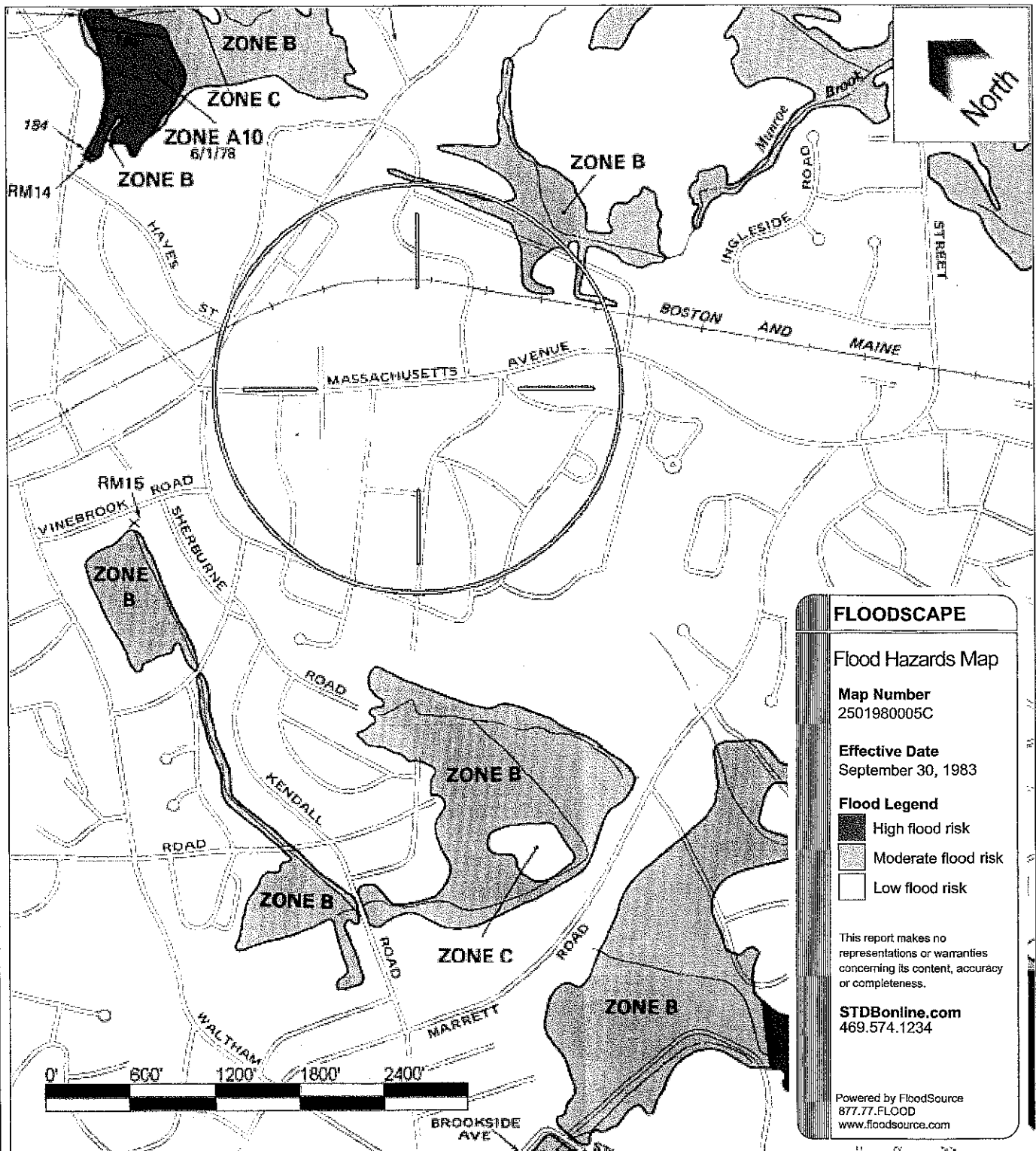


STDBONLINE.com
FLOODSOURCE
FLOODSCAPE™



PROPERTY ADDRESS:

1403 Massachusetts Ave, Lexington, MA, 02420

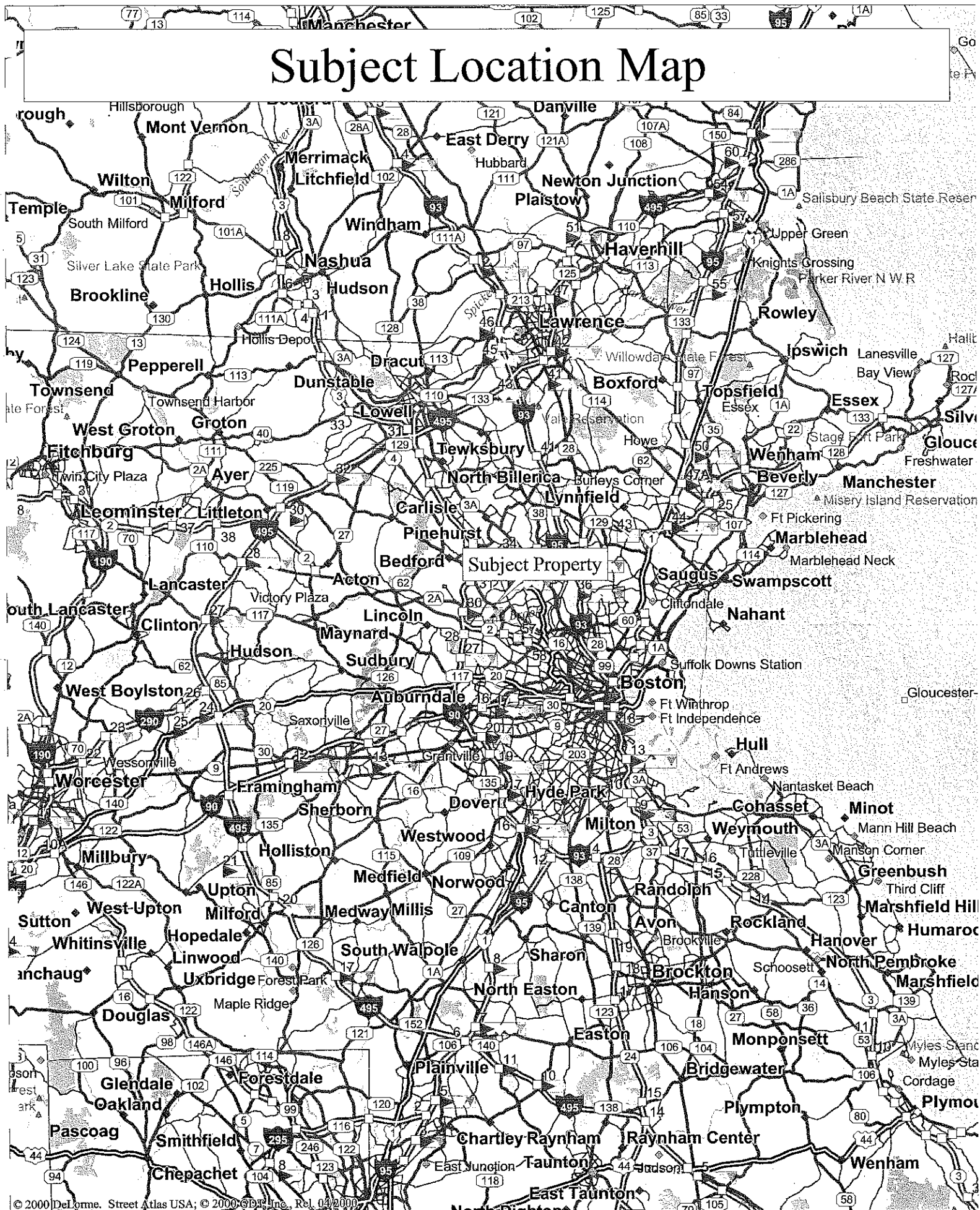




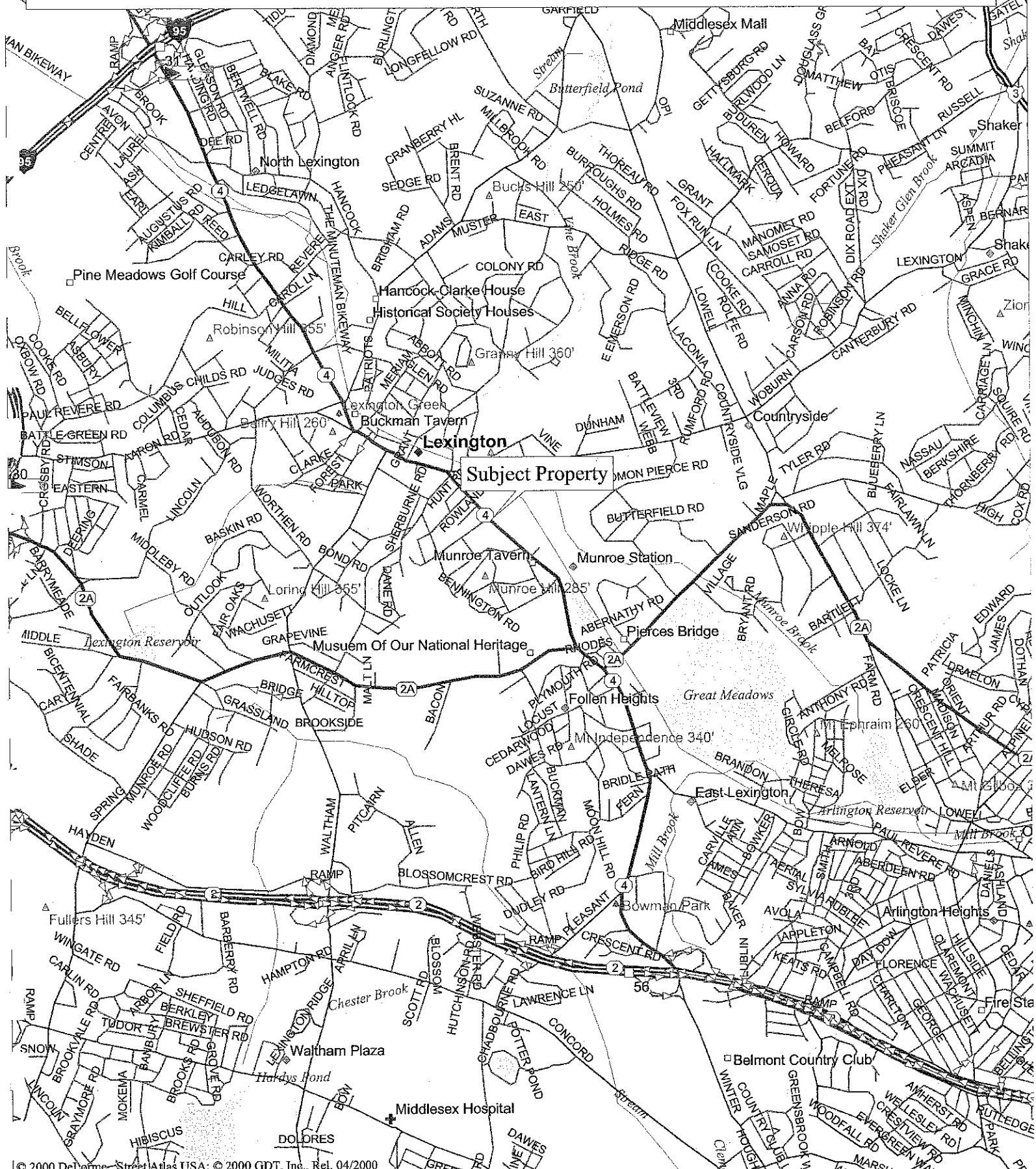
SUBJECT LOCATION MAP

SUBJECT NEIGHBORHOOD MAP

Subject Location Map



Subject Neighborhood Map

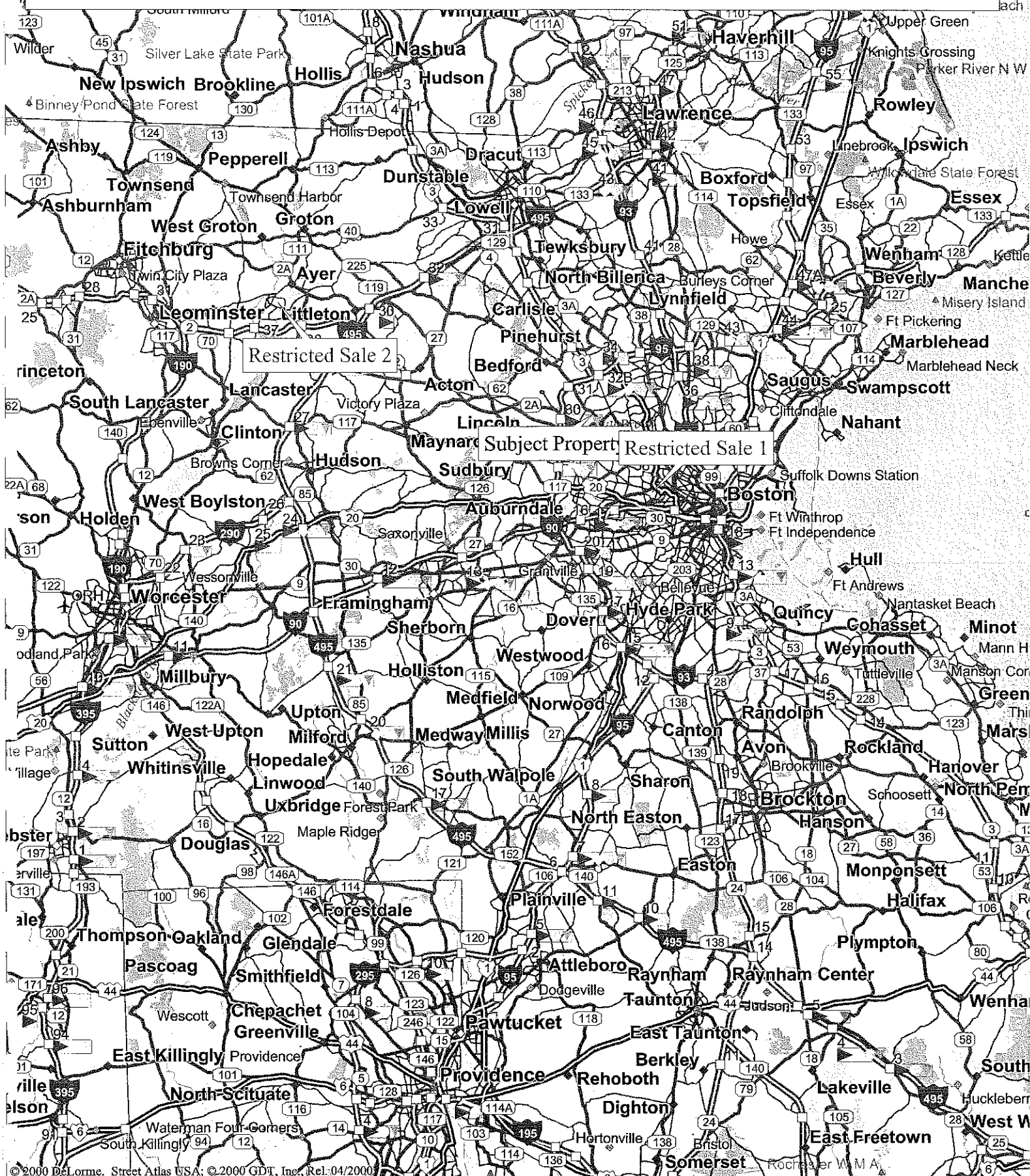


COMPARABLE SALES LOCATION MAP

Comparable Sales Location Map



Restricted Sales Location Map



DEFINITIONS

AND

ASSUMPTIONS

APPRAISAL LEXICON

MARKET VALUE "The most probable price, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are motivated;
2. Both parties are well informed or well advised and each acting in what he considers his own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars, or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing, or sales concessions granted by anyone associated with the sale." (1)

LEASED FEE INTEREST An ownership interest held by a landlord with rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease. (2)

FEE SIMPLE ESTATE Absolute ownership unencumbered by another interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (3)

HIGHEST AND BEST USE The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. (4)

EXPOSURE TIME Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale..." (5) Exposure time is considered to have happened prior to the date of the appraisal and is an integral part of the valuation process.

MARKETING PERIOD The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. (6)

(1) FIRREA 12CFR Part 323.2.

(2) The Dictionary of Real Estate Appraisal, Appraisal Institute, 2002, Fourth Edition - Page 161.

(3) Ibid. - 113.

(4) Ibid. - 135.

(5) Ibid. - 105.

(6) Ibid. - 175.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2b of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for the unauthorized use of this report.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocation of land and building must not be used in conjunction with any other appraisal and are invalid if used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
6. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.

QUALIFICATIONS

<p style="text-align: center;">QUALIFICATIONS OF RICHARD W. BERNKLOW REAL ESTATE APPRAISER</p>
--

EDUCATION

- B.A. University of Lowell, Lowell, Massachusetts
- Appraisal Institute
 - Course 101 Introduction to Appraising Real Property 1988
 - Course 201 Applied Residential Property Valuation 1989
 - Course 310 Capitalization Theory & Techniques 1992
 - Course 510 Advanced Capitalization Techniques 1993
 - Course 520 Highest and Best Use Analysis 1998
 - Course 530 Sales & Cost Approaches 2006
 - Course 540 Report Writing 2000
 - Course 550 Advanced Applications 2006
 - Standards of Professional Practice Update 2002/2005/2007
 -
 - The Appraiser as Expert Witness 1993
 - Appraising Troubled Properties 1993
 - Non-Conforming Uses 1999
 - Issues in Appraising Lodging Properties 1999
 - Attacking/Defending An Appraisal in Litigation 1999
 - Partial Interest Valuation—Divided 2001
 - Real Estate Fraud 2001
 - Condemnation Appraising 2005
- Lincoln Institute of Land Policy
 - Theory & Practice of Land Valuation 2002
- Mass Board of Real Estate Appraisers
 - Real Estate Expo Commercial Program 2002/3
 - USPAP Update 2004
- ASFMRA & MBREA
 - Yellow Book Seminar Federal Land Acquisitions 2004

PROFESSIONAL AND TRADE AFFILIATIONS

Appraisal Institute - SRA Member
Chairman, Board of Assessors, Stow MA, Term 2000-2002
Appraisal Institute – SRA Experience Reviewer

DESIGNATIONS AND AFFILIATIONS

Massachusetts Certified General Real Estate Appraiser #3111

BUSINESS EXPERIENCE

Professional real estate appraiser with 18 years of experience in the valuation of residential, commercial and industrial properties. Certified as a general appraiser, Mr. Bernklow has worked as both an independent appraiser and as an employee for several firms throughout his career. Appraisal assignments have been completed in the following states: Connecticut, Maine, Massachusetts, New Hampshire and Rhode Island with most emphasis on Massachusetts and New Hampshire properties. Prior to his present affiliation, Mr. Bernklow served in the following capacities:

AVERY ASSOCIATES

REAL ESTATE APPRAISERS - COUNSELORS

1996-1999	Senior Appraiser, Joseph C. Sansone Company F/K/A Property Tax Research Woburn, Massachusetts
1995-1996	Commercial Appraiser, Allied Appraisal Worcester, Massachusetts
1993-1995	Independent Fee Appraiser D/B/A Preferred Appraisals Pepperell, Massachusetts
1989-1994	Senior Appraiser, Property Consultants, Inc. Chelmsford, Massachusetts
1987-1989	Senior Appraiser, Realty Appraisals Tewksbury, Massachusetts
1985-1987	Appraiser, Appraiser Trainee, Able Appraisal Nashua, New Hampshire

Appraisal Assignments Include:

Airport	Aircraft Hangers
Apartments	Banks
Condominiums	Conservation Easements
Easements	Garages
Gravel Pits	High-End Residential
Horse Farms	Hotels and Motels
Industrial Land	Laboratory Buildings
Medical Office	Mill Buildings
Mixed-Use Properties	Multi-Family Dwellings
Office Buildings	Office Condominiums
Raw Land	Research & Development
Residential	Restaurants
Retail Plazas	Subdivisions
Unbuildable Land	Warehouses

Unusual Appraisal Assignments Include:

Former Nike Missile Silo
Airport Hanger Condominium Complex
Military Enclave, Fort Devens
Rail Line Corridors
Private Island
Apple Orchards
Seasonal Cottage Colony Condominium
Pond & dam

BUSINESS ADDRESS

Avery Associates
282 Central Street
Post Office Box 834
Acton, MA 01720-0834
Tel: 978-263-5002
Fax: 978-635-9435
rick@averyandassociates.com

AVERY ASSOCIATES

REAL ESTATE APPRAISERS - COUNSELORS

<p style="text-align: center;">QUALIFICATIONS OF JONATHAN H. AVERY REAL ESTATE APPRAISER AND CONSULTANT</p>

EDUCATION

- BBA University of Massachusetts, Amherst, Massachusetts
- Graduate of Realtors Institute of Massachusetts - GRI
- American Institute of Real Estate Appraisers
 - Course 1-A Basic Appraisal Principles, Methods and Techniques
 - Course 1A-B Capitalization Theory and Techniques
 - Course 2 Basic Appraisal of Urban Properties
 - Course 6 Real Estate Investment Analysis
 - Course 410/420 Standards of Professional Practice

PROFESSIONAL AND TRADE AFFILIATIONS

- The Counselors of Real Estate
 - 1985 - CRE Designation #999
 - 1993 - Chairman, New England Chapter
 - 1995 - National Vice President
 - 1998 - First Vice President
 - 1999 - President
- Appraisal Institute
 - 1982 - Member Appraisal Institute - MAI Designation #6162
 - 1975 - Residential Member - RM Designation #872
 - 1977 - Senior Residential Appraiser - SRA Designation
 - 1981 - Senior Real Property Appraiser - SRPA Designation
 - 1986-1987 - President, Eastern Massachusetts Chapter
 - 1992 - President, Greater Boston Chapter
 - 1994 - National Executive Committee
 - 1995 - Chair, Appraisal Standards Council
 - 1996-1998 - Vice Chair, Appraisal Standards Council
- Massachusetts Board of Real Estate Appraisers
 - 1972 - MRA Designation
 - 1981 - President of the Board
- Affiliate Member, Greater Boston Real Estate Board
- Licensed Real Estate Broker - Massachusetts 1969
- Massachusetts Certified General Real Estate Appraiser #26
- New Hampshire Certified General Real Estate Appraiser #NHGC-241

BUSINESS EXPERIENCE

Mr. Avery is Principal of the firm of Avery Associates located in Acton, Massachusetts. Avery Associates is involved in a variety of real estate appraisal and consulting activities including: market value estimates, marketability studies, feasibility studies, and general advice and guidance on real estate matters to public, private and corporate clients. Mr. Avery has served as arbitrator and counselor in a variety of proceedings and negotiations involving real estate. During 1993, he served as an appraisal consultant for the Eastern European Real Property Foundation in Poland. He has been actively engaged in the real estate business since 1967 and established Avery Associates in 1979. Prior to his present affiliation, Mr. Avery served in the following capacities:

AVERY ASSOCIATES

REAL ESTATE APPRAISERS - COUNSELORS

- 1978-1979 Managing Partner, Avery and Tetreault,
Real Estate Appraisers and Consultants
- 1975 -1978 Chief Appraiser, Home Federal Savings and Loan Association
Worcester, Massachusetts
- 1972-1975 Staff Appraiser, Northeast Federal Saving and Loan Association
Watertown, Massachusetts
- 1971-1972 Real Estate Broker, A. H. Tetreault, Inc.
Lincoln, Massachusetts

TEACHING EXPERIENCE

- Instructor, Bentley College, Continuing Education Division, 1976-1982;
Appraisal Methods and Techniques
Microcomputer Applications for Real Estate Appraisal
- Approved Instructor Appraisal Institute - since 1982
- Chapter Education Chairman 1986-1987
- Seminar Instructor; Massachusetts Board of Real Estate Appraisers since 1981
- Certified Appraisal Standards Instructor-Appraiser Qualifications Board

PROFESSIONAL EXPERIENCE

Qualified expert witness; Middlesex County District Court and Superior Court, Essex County Superior Court, Norfolk County Superior Court, Worcester County Probate Court, Federal Tax Court, Federal Bankruptcy Court, Appellate Tax Board of Massachusetts and Land Court of Massachusetts. Member, Panel of Arbitrators - American Arbitration Association, National Association of Securities Dealers Regulation, Counselors of Real Estate ADR.

Appraisal Assignments Include:

Land (Single Lots and Subdivisions)
One to Four Family Dwellings
Apartments
Residential Condominiums
Office Buildings
Restaurants
Industrial Buildings
Racquet Club
Petroleum Fuel Storage Facility
Lumber Yard
School Buildings

Historic Renovations
Movie Theater
Conservation Easements
Hotels and Motels
Shopping Centers
Golf Courses
Churches
Gasoline Service Stations
Farms
Office Condominiums
Automobile Dealerships

BUSINESS ADDRESS

Avery Associates
282 Central Street
Post Office Box 834
Acton, MA 01720-0834
Tel: 978-263-5002
Fax: 978-635-9435
jon@averyandassociates.com

AVERY ASSOCIATES

REAL ESTATE APPRAISERS - COUNSELORS

AVERY ASSOCIATES
REPRESENTATIVE LIST OF CLIENTS

FINANCIAL INSTITUTIONS

Avidia Bank
Beverly National Bank
Brookline Savings Bank
Cambridge Savings Bank
Century Bank & Trust
Citizens Financial Group
Danversbank
Eastern Bank
Enterprise Bank & Trust
First Pioneer Farm Credit
Lowell Five Savings Bank
Marlborough Savings Bank
Middlesex Savings Bank
North Middlesex Savings
Norwood Cooperative Bank
Salem Five Cent Savings Bank
Southern New Hampshire B&T
TD BankNorth Group
Webster Bank

PUBLIC SECTOR/NONPROFIT

Acton Housing Authority
City of Gloucester
Emerson Hospital
Federal Deposit Insurance Corp.
Harvard Conservation Commission
Massachusetts Highway Dept.
Massachusetts Water Resources Authority
Mass. Div. of Conservation/Recreation
MassHousing
Stow Planning Board
Sudbury Valley Trustees
The Nature Conservancy
The Trust for Public Land
Town of Acton
Town of Cohasset
Town of Natick
Town of Concord
Trustees of Reservations
U. S. Department of Interior
Massachusetts Dept. of Agricultural Resources
U.S. Forest Service
Walden Woods Project
Water Supply District of Acton

CORPORATIONS

Boston Golf Club, Inc.
Boston Medflight
Bovenzi, Inc
Column Financial
Concord Lumber Corporation
Dow Chemical Company
Exxon Mobil Company
Fidelity Real Estate
John M. Corcoran & Co.
MassDevelopment
Monsanto Chemical
PriceWaterhouseCoopers
Robert M. Hicks, Inc.
Ryan Development
Sun Life Assurance Company
The Mathworks, Inc.
Toyota Financial Services
U.S. Postal Service

LAW FIRMS & FIDUCIARIES

Anderson & Kreiger LLP
Brown Rudnick
Choate, Hall & Stewart
DLA Piper, LLP
Foley Hoag, LLP
Goodwin Proctor
Hemenway & Barnes
Holland & Knight
Kirkpatrick Lockhart Nicholson Graham
Kopelman & Paige, P.C.
Lee & Levine, LLP
Loring, Wolcott & Coolidge
Lynch, Brewer, Hoffman & Fink, LLP
Nutter, McClennen & Fish, LLP
Office of Stephen Small
Palmer & Dodge
Peabody & Arnold, LLP
Prince, Lobel, Glovsky & Tye
Rackemann, Sawyer & Brewster
Riemer & Braunstein, LLP
Ropes & Gray
Stern, Shapiro, Weissberg & Garin
WilmerHale